

Published
Monthly by the
NATIONAL
MUNICIPAL
LEAGUE
Vol. XXIII, No. 10
TOTAL NO. 220

NATIONAL
MUNICIPAL REVIEW

CONTENTS FOR OCTOBER

LEAGUE'S BUSINESS *Howard P. Jones* 498

EDITORIALS *John A. Fairlie, Richard S. Childs* 499

PROGRESS IN COUNTY GOVERNMENT: A BIRD'S EYE VIEW
Howard P. Jones 502

THE COUNTY MANAGER PLAN PROVES ITSELF
Edwin A. Cottrell, George W. Spicer, and Robert S. Rankin 505

COUNTY HOME RULE: PRO AND CON
Arthur W. Bromage and Kirk H. Porter 514

WILL COUNTIES MERGE? *J. Thomas Askew* 520

CITY-COUNTY CONSOLIDATION *Thomas H. Reed* 523

STATE CONTROL IN NORTH CAROLINA *Paul W. Wager* 526

A SUCCESSFUL COUNTY TREASURER'S OFFICE *Harry A. Freiberg* 531

FINANCIAL CRISIS OF COUNTIES IN THE STATE OF
WASHINGTON *Joseph P. Harris* 536

NEWS OF THE MONTH 546

RECENT BOOKS REVIEWED 558

The contents of the NATIONAL MUNICIPAL REVIEW are indexed in the
Engineering Index Service, the Index to Legal Periodicals, the Inter-
national Index to Periodicals and in Public Affairs Information Service.

COPYRIGHT, OCTOBER, 1934



THE LEAGUE'S BUSINESS

Mark These Dates on Your Calendar.—The annual meeting of the National Municipal League will be held this year in Pittsburgh, November 26 and 27. An interesting program has been arranged dealing with the immediate problems in the field of local government. One of the features of the meeting will be a session devoted to "Federal Aid to the Cities." A copy of the program will be sent to every member of the National Municipal League within a few weeks, but meanwhile "reserve the dates!" It will be a stirring meeting and one you will not want to miss.

* * *

Nominating Committee Appointed.—President Seasongood has appointed the following nominating committee to prepare recommendations for the convention this year: William E. Mosher, chairman, William P. Lovett, Henry L. Shattuck, Hon. John G. Winant, and Mrs. F. Louis Slade. The report of the nominating committee will be published on this page in the November issue.

* * *

The Cincinnati Plan of Citizen Organization for Political Activity.—The Problem of arousing and maintaining citizen interest in honest, efficient, and effective government is the crux of the larger problem of making democracy succeed. During the month the League published the report of its committee on Citizens' Charter Organization which outlines the "Cincinnati Plan of Citizen Organization for Political Activity." Of all the large cities in the country, Cincinnati is the only one to have solved the problem of maintaining good government for any length of time. The report of the committee tells the story of this organization of citizens in Cincinnati which has been on the alert ever since Cincinnati adopted the manager plan. All sustaining members of the National Municipal League will receive copies of the committee's report. All others interested may obtain copies for 35 cents from the League's office.

* * *

New Edition of the Story of the City Manager Plan.—A revised edition of the campaign pamphlet, the "Story of the City Manager Plan," familiar to most members of the National Municipal League, has just come from the press. A limited number of sample copies of this new edition are available for free distribution for educational purposes. Members who wish a copy of the pamphlet for themselves or for any of their friends are urged to write to the secretariat as soon as possible.

* * *

New Radio Program.—"Trends in Government," the ninth series of programs in *You and Your Government* broadcasts, is now on the air every Tuesday evening from 7:30 to 7:45 eastern standard time. Coming programs are listed below:

October 9—"European Local Government." Charles E. Merriam, University of Chicago.

October 16—"Putting Cities on a Cash Basis." L. P. Mansfield, Supervisor, Bond Dept., Prudential Insurance Company of America.

October 23—"Local Government from the Ground Up." John M. Gaus, University of Wisconsin.

October 30—"American Municipal Leagues." Harold D. Smith, President, American Municipal Association.

November 6—"New Rights for Old." James T. Young, University of Pennsylvania.

November 13—"Regionalism and Local Government." Phillips Bradley, Amherst College.

HOWARD P. JONES, *Secretary*

Editorial
Comment



October

NATIONAL MUNICIPAL REVIEW

Vol. XXIII, No. 10

Total No. 220

Introduction

THE increasing importance of county government in the United States is becoming more widely recognized; and along with this there is a growing appreciation of the problems to be faced and the need for important changes in the machinery of government. The National Municipal League and the NATIONAL MUNICIPAL REVIEW have for some years taken an active and leading part in this movement. In 1930 a committee of the League prepared and published the draft of a bill to establish the county manager form of government. Following this an enlarged committee on county government has been making further studies and has published a series of reports and recom-

mendations on constitutional restrictions on county government, a recommended plan of county organization, and proposals on township government. The REVIEW has devoted one of its issues (August 1932) to a special number on county government. The present issue is a continuation of the policy established by these precedents. As is demonstrated herein, some progress is being made towards better conditions. But much more needs to be done if counties are to continue and to develop as an effective agency of government in the United States.

JOHN A. FAIRLIE, *Chairman,*
Committee on
County Government

"The Movement" for Better County Government

IT is inconceivable that any other magazine that this or any other institution but ours would devote an issue to the subject of county government. It is peculiarly our job and one of the justifications for our existence. No other national civic organization has either the interest to get up such an issue, the resources to tap for it, or the subscribers

who would read it. The League has other jobs too but in the other work it has allies; in county government ours is a lonely lance.

In this crusade we attack with our technical sapping operations the most stubborn citadel of political bossism. For in your state, I think, as in mine, the county is the unit of the political

machine outside of the great cities. The national parties are loose federations of state machines. The state machines are federations of county machines; the state boss is a county leader whose elevation is a mere chairmanship among equals. The county leaders may make or break the state chairman at will; the chairman on the other hand can rarely do anything to upset a county leader for the latter sits serene for decades, careless of the outside world of policies and politics, paying his satellites with county and township patronage for their work in mustering the regulars at the polls. Within the county, cities and villages may have vivid reform movements but the latter do not spread to county or state; the party regulars in the small cities and villages salute the county boss and rarely assert themselves against him.

* * *

The rareness of an attack upon the county boss is doubtless attributable to the obscurity and complexity of county government. Responsibility in the county structure is so vague and scattered that voters in their fitful rebellions cannot find fair targets; the character of the county's work is inconspicuous by nature; the trail is easily confused. A little scandal in office in a compact village is near at home and social disfavor for the culprit and his political sponsors is quickly mustered; a similar scandal in a county can be dealt with politically only by seeking coöperation with distant strangers in other neighborhoods and the occasion has to be pretty important to provoke all that effort. And so the county boss, his machine, his grip on the clumsy mechanism of democracy go on unmolested.

So the governor gets nominated if a collection of county bosses find him acceptable and they promise and de-

liver convention delegates or primary majorities; the legislative delegation can be "reached" through the county boss who sends telegrams to the capitol all through the session; the elective local judges are all but appointees of the county boss; the leaders in the villages and towns take orders from the county boss on everything outside their local bailiwicks.

The county machine is an incessant menace to progressivism in the city manager towns within the county boundaries. Dayton with nonpartisan administrations continued now through eleven successive elections under the city manager plan is not safe so long as a courthouse gang across the street from the city hall maintains its political mercenaries on county patronage and hungrily eyes the municipal appointments. We see now in Ohio the first hopeful efforts of such cities to extend their victories for nonpartisanship to the county as a measure of self-protection.

* * *

The Charter party in Cincinnati captures Hamilton County and other cities take action under the county home rule amendment to destroy the labyrinth of irresponsibility which we call county government and substitute a modern and simple instrument of democracy that needs no boss to manage it.

So now our slow and patient technical attack which began about 1912 begins to show; cracks appear in the ancient citadel. There are county managers in a few spots and more to come. Evidence of good specific performances in progressive counties ought to be coming along soon—that's something the public outside our ranks will be quick to notice, whereupon our "movement" can begin really to move!

RICHARD S. CHILDS

Robert Fulton Cutting, 1852-1934

R. FULTON CUTTING, founder of the New York Bureau of Municipal Research and except for a brief period chairman of that institution and its successor, the Institute of Public Administration, can truly be said to have been one of New York City's "first citizens." By his death on September 21 at his summer home at Tuxedo Park, the cause of better local government lost one of its most effective leaders.

* * *

For nearly half a century Mr. Cutting was closely associated with social, political and educational and religious movements in New York City. A lineal descendant of Robert Fulton, he came of a wealthy family, and the substantial fortune he inherited and increased through his own efforts he used generously in supporting the various movements in which he was interested. He helped organize the old Citizens' Union and was president of that organization from 1897 until 1909. In 1905, mainly through his efforts, the New York Bureau of Municipal Research was founded, one of its early reports resulting in a suit for libel against Mr. Cutting brought by Borough President Ahearn of Manhattan. Records of the investigation when placed before Governor Hughes resulted in the removal of President Ahearn for official incompetency. Mr. Cutting played an important part in the formation of the Citizens' Budget Commission two years ago. Although offered the nomination for mayor in 1901, he preferred private

life and urged his friend Seth Low upon the fusion group.

* * *

Although Mr. Cutting wielded his influence unobtrusively and principally in the City of New York, his courageous and intelligent approach to governmental and social problems bore fruit throughout the entire nation. In 1928 he sent a letter to chairmen of bureaus of municipal research throughout the country asking them what had been the accomplishments of government research in their communities. The replies were published in a pamphlet entitled "The Credentials of Governmental Research," in the foreword of which Mr. Cutting wrote: "In the short span of twenty-two years the governmental research movement has achieved a footing in the United States and Canada so firm and broad that it must be regarded in scores of communities as an established agency of democracy—a part of the living constitution."

* * *

Mr. Cutting had been since 1910 a constant contributor and supporter of the National Municipal League and was a frequent and active participator in its annual conferences. His death removes from the sphere of local governmental reform one of its most effective champions, but the effects of his passion for providing the citizen with all the facts and furthering the adoption of efficient governmental methods will long be felt wherever men strive to improve the agencies of government.

Progress In County Government: A Bird's Eye View

'Dark continent' yields to onslaught of aroused taxpayers; county manager plan "makes good"

HOWARD P. JONES

Secretary, National Municipal League

IT is something to have reached the stage when discussion of *progress* in county government no longer sounds ridiculous. After all, it is only two years ago when there was not a single county in the United States with a thorough-going manager plan of government. It is only two years since those interested in improvement in county government had to talk in terms of objectives and aims rather than in terms of achievement. True, a few experiments had been made that could be brought forward as slim indication of what might be done, but that was all.¹

Other writers in this issue will supply detailed analyses of the present situation and achievement in the various fields that has been made so far. Suffice it here to present a summary of the developments and trends.

Most important of all, of course, is the increased citizen interest in public affairs resulting generally from the depression and specifically from the desire to reduce taxes. It has taken time for this interest to penetrate the fog of county government and a powerful pressure of public opinion and active citizen organization to dispel the fog in

even a few areas. If this interest continues, much may be expected.

In those countries run by dictators, they laugh at our spasmodic and awkward efforts to bring about improvement in the operation of the public business.

"Why do you wait for local action?" a complacent German asked the writer this summer. "If local government in America needs to be reorganized, why don't you go ahead and reorganize it? Why doesn't your Congress pass a law that will do the whole job at once? Or give some intelligent and qualified leader the power to do it?"

CITIZEN ORGANIZATION ESSENTIAL

In asking which questions, of course, he put his finger upon one of the chief problems of democracy—how to get quick action, how to get efficiency of operation, without at the same time losing control over those who make the decisions and carry them out. In America nothing can be accomplished without citizen interest. Organization follows interest, action follows organization, and gradually, slowly, clumsily, and bunglingly if you will, the bit of leaven leavens the whole lump: or at least such is the hope. If not, well, democracy will have failed to become efficient and if it fails to become at least reasonably efficient, it will fail to survive, in the form in which we know it.

¹See special county government number of the NATIONAL MUNICIPAL REVIEW, August, 1932. The title of the author's article in that issue, "Unrest in County Government," gives a clue to the situation at that time as contrasted with today.

But the signs are auspicious. There is a definite trend toward centralization of responsibility in county government. The county manager plan is no longer on trial. Six counties in three states are now operating under a form of government with a single responsible executive. These counties are as follows: Sacramento and San Mateo Counties, California; Albemarle, Arlington, and Henrico Counties, Virginia; and Durham County, North Carolina. Sufficient experience has been assembled by other writers in this issue to warrant the conclusion that county manager government has "made good". In addition, the fact that there are movements in ten counties in eight states to adopt the manager plan, and campaigns in various stages in eleven other states to obtain laws which will permit a county to adopt the manager plan, seems to warrant the prediction that the county manager plan will rival the city manager plan in popularity within a few years. More than a dozen other counties are taking steps to reorganize their governmental set-up. In Ohio alone eight counties will vote this November on the question of creating charter commissions to frame home rule charters under the recently adopted constitutional amendment. It is almost certain that a number of these will provide for a manager type of government.

The records of cities and counties are startlingly similar although county political machines are even more difficult to blast loose than city machines. In those counties which have taken the step, however, as in cities with the manager plan, improved service and lower costs have been uniformly the rule. To such examples, less fortunate counties cannot fail to respond.

MUCH TALK AND LITTLE ACTION

Consolidation of counties seems a quick and obvious way to lower costs of rural governmental administration.

It is apparent to anyone who gives the subject even the most casual attention. This probably accounts for the fact that there is more talk of county mergers than of any other reform in the local governmental field: more talk and less action. In the last two years movements for county consolidation on a local or statewide basis—more or less serious—have sprung up in at least thirty-four states. As is pointed out elsewhere in this issue, the future of county consolidation is difficult to predict. It should be emphasized, however, that the *results* which flow from county consolidation may be achieved in other ways. If resistance to county consolidation be too great, then transfer of county functions to the state or to other units of government, or joint administration of certain functions by two or more counties seems inevitable. This will probably be accompanied by the creation of additional *ad hoc* authorities—a development to be deplored unless accompanied by recasting of governmental machinery since it leads to increasing complexity of governmental organization. At this stage, it would be too bad to find a remedy worse than the disease. Inadequate as our present local governmental administration may be, there always exists the *opportunity* for control by the public when authorities go too far.

Here and there throughout the country important steps have been taken during the last year by legislatures. Kentucky passed five county reorganization bills, perhaps most important among them a mandatory county budget law. The New York State legislature at its regular session in the spring passed a bill permitting any county outside New York City to draft and adopt a charter for its own government. The special session of the New York legislature this summer passed a joint resolution in behalf of a constitutional

amendment which would permit thorough-going reorganization of county government, including transfer of functions from one unit of local government to another and abolition of unnecessary units. This resolution must, of course, be repassed by the next legislature and then be submitted to popular vote before it becomes law. In Nebraska the legislature passed a county manager enabling act and a vigorous campaign is being waged for adoption of the manager plan in Douglas County which county includes the city of Omaha. In Virginia the legislature abolished the fee system for local officers—a much needed reform in local rural government.

COMMISSIONS HARD AT WORK

A number of states have commissions studying the problems of reorganization of county government. These include Connecticut, Illinois, Indiana, New York, North Carolina, and Ohio. In other states commissions have already reported—among the recent reports was that of the Michigan Commission of Inquiry Into County, Township and School District Government which came out strongly for complete reorganization of county government and the establishment of the manager plan. Michigan at the approaching November election will vote on a constitutional amendment providing for county home rule. Texas, which adopted a similar constitutional amendment a year ago, will vote this year on a constitutional amendment that will permit the legislature to consolidate counties with certain specified limitations. Florida this fall will vote on a constitutional amendment to permit the consolidation of Duval County with the city of Jacksonville.

Meanwhile, the assumption of county functions by the state of Virginia and North Carolina seems to have justified itself on the grounds of efficiency without so far raising havoc with what we

so blithely refer to as “home rule,” forgetting that “home” is a mixed emotional and intellectual conception and that its boundaries fluctuate with the emotional and intellectual breadth of the individual.

THE EXPERT CARRIES ON

One of the interesting and hopeful aspects of the whole local governmental situation is that the assault of the expert on the strongholds of the unqualified and political is a continuous one. County organization in a given locality may have rested unchanged since Colonial times but county administrative problems, particularly in the larger counties, have become complex and technical, and expert knowledge is required for their solution. Thus we find during the last few years over the country generally a continually if slowly rising level of administrative efficiency in these larger counties. This of itself creates additional resistance to political appointments and patronage. The professional and the political points of view are like oil and water: they will not mix. And the more emphasis that can be laid upon getting the professional—the man who knows his job—into public service, the better, whether this comes through legal requirements, organization requirements, or simply the demands of the functional problem itself.

It is all too easy to be pessimistic about progress in county government. But if the clock be turned back even so short a time as four years, a significant contrast is supplied. At that time nobody was interested in the subject except a handful of political scientists and one or two crusading newspaper editors. Today it's as common a topic of conversation as the next European war and almost as exciting. The lone reformer is now a general at the head of his troops. And the campaign promises much.

The County Manager Plan Proves Itself

Reports from California, Virginia, and North Carolina, where the plan is in actual operation

EDWIN A. COTTRELL
GEORGE W. SPICER

*Stanford University
Chairman, Virginia Commission on
County Government
Duke University*

ROBERT S. RANKIN

CALIFORNIA

ONE need not be a confirmed optimist to see great improvement in operating technique and citizen morale in San Mateo and Sacramento counties. Despite the fact that the charters providing for a county executive will not be in full force until January 1935, after eighteen months of operation, there are undeniable signs of great progress over the old conditions. Both charters began operation in July 1933 with a full set of elective officers under the old constitutional and statutory provisions. In August 1934 the first election was held, a nonpartisan primary, to nominate officers for the first time under the charter. At this time the names and positions of several officials disappeared from the ballot and became subject to appointment.

Results of new charters are too frequently expected to be measured in terms of dollars saved. A case for saving might be made with substantial accuracy in both of these counties. The reader will not be interested in the details of adjustments between previous or present budget figures and the necessary juggling and differentials due to CWA and SERA funds and the new division of the gasoline tax. The tran-

sition period between the initiation and full operation of the charter is naturally one which would show an additional burden of expenditure. However, the centralization of service in the engineer, director of health and welfare, and controller or auditor showed substantial savings in unit and comparative costs of operation. Other conditions should be examined before drawing conclusions. Fiscal difficulties, country-wide in operation, a new state tax system with a dislocation of the property tax, introduction of a state retail sales tax, a 5 per cent limitation upon all budget increases of every form of government, the use of federal money for welfare and unemployment work, the adjustment of salaries under both the economic conditions and new charter provisions, all play an important part in the uncertainty and difficulty of painting an accurate picture of results to date.

In San Mateo other and more serious matters complicated the situation. Before the date of effect of the new charter, one of the superior court judges, who was named to sit on the qualification board to pass upon the applications for county executive, carried a writ to the supreme court to test his eligibil-

ity to serve in other than a judicial capacity. The court upheld his contention that he would disqualify himself as a judge under the constitution if he served on this board. With the declaring of this opinion, the board of supervisors proceeded to appoint a county executive without the formality of advertisement or serious deliberation. There were about twenty or more applicants who had filed credentials with the county clerk. The board appointed to the position Mr. Walter T. Kellogg, formerly a district manager of the Pacific Gas and Electric Company. A citizen's suit was filed to test the validity of this appointment. The charter provides that an appointee to any office shall not be connected in any manner with a firm or corporation doing business under a franchise or contract of the county. After some delay in court procedure of filing an answer, this action was dropped. It had been shown that Mr. Kellogg had resigned from the corporation employ before he had accepted appointment with the county.

Another suit was brought to test the charter provision centering all road work in the county engineer. This suit concerned seventeen counties of the state, several, including Los Angeles, appearing as *amicus curiae* at the hearing in October. In substance the individual supervisors have been road commissioners of their respective districts. Political power was thus taken from them by the centralization procedure. The supreme court some months later upheld the charter provision for a county engineer and the transfer and centralization of all road matters in his department. During the period of some six months both the supervisors and the engineer carried on road work jointly. Naturally, this decision cleared up a question which had been resting under suspicion for many years and opened the way for more counties to

accomplish the same result. Some disturbance between the board of supervisors and the director of health and welfare, appointed by the county executive, over the matter and manner of his appointments, caused a minor ripple of discontent and mild amusement. Friction appeared between some of the officers who came under the executive for supervisory control. None of this, in either county, was any more than was to be expected in the general readjustments of the transition period. The political and personal antagonisms are generally disappearing. The current election period shows a settling process which augurs well for a full and satisfactory coöperation under charter provisions and intent.

Sacramento has been quiet and apparently contented under its new arrangement. The board of supervisors appointed the incumbent county surveyor, Mr. Charles W. Deterding, Jr., to the position of county executive. The transition was smooth at first and the full force of the new plan would not be felt until this present election when only four positions in the administrative service were to be filled by ballot. Indications are that, despite the hold-over officers, especially the board of supervisors, greatly reduced in salary, and some lack of sufficient power in the hands of the county executive to bring about proper coöperation, the Sacramento charter is working with much satisfaction to the citizens of that county. Here, no doubt, the ability and earnestness of the county executive to bring about proper recognition of charter provisions and a smooth operation of county business is to be commended and encouraged.

MORE CENTRAL CONTROL NEEDED

In both counties there are some indications that more agencies should have been brought under central control. This was attempted in the Santa

Clara charter which was defeated in February. Both counties have per capita assessed valuations and expenditures on the lower side of the range of all the counties of the state. Fixed charges are heavy and have been increased by a court decision holding cities and counties responsible for delinquencies and defaults in the collection of special assessments of districts within their jurisdictions. Matching money for SERA grants, to be pledged against future gasoline tax allocations, has disrupted budget and work programs for years to come. Citizen interest, county-wide in view, has been firmly and actively behind proper observation of charter provisions. Officials have, in the main, dealt with changing fiscal and structural problems in a sympathetic and successful manner. There is no doubt that both counties have benefited by the presence of a central executive who could visualize and coordinate relative needs of scattered departments. The two most wasteful influences in county government, sectionalism in expenditure and patronage, have been largely overcome. There are indications in both counties that demands will be made for some form of merit system to give the executive a firmer hand over charter provisions prohibiting employee participation in political campaigns. The centralization of fiscal, works, and health and welfare administration has demonstrated its value even under the transition conditions. There are still too many elective officers in both charters. Only experience and experimentation will lead to changes in this respect. Conflict between the fiscal officers and executive over estimated revenues upon which to base a budget program has led to unsettled conditions in the latter part of the fiscal period. Savings in road work are found but might be larger if some feeling of co-operation between the engineer and supervisors could be established in the

budget program. San Mateo has now elected its board on a county-wide basis. This, we hope, will tend, in part at least, to break down district thinking in road appropriations.

Both of these charters follow the essentials of the plan proposed by the Committee on County Government of the National Municipal League. Both have passed through the transition period, one after many legal vicissitudes, and each with the usual financial uncertainties of such a period. These charters are here to stay and have led to increased favorable attention and discussion in other parts of the state. Neither has promised or even approached Utopia. No one expects exceptional results with the short time of operation or hold-over officers. They are pioneering and unique in this section of the country, yet presenting a type of structural and functional governmental operation with which we are familiar in many cities of our state. California is accustomed to experiments. Home rule for cities and counties since 1912 has given us the opportunity to try many plans. No two chartered cities or counties are alike and yet all face their individual problems with differing structures and laws which end in somewhat similar results. A gradual drift of county functions has set in toward state central control. Metropolitan areas are facing the necessity of simplification of the excessive number of governmental units within their natural borders. Sacramento remains an urban-rural county, typical of many in this state. San Mateo faces pressure from San Francisco for consolidation. This county was originally a part of San Francisco until the formation of the consolidated city and county of San Francisco in 1856. San Francisco is one of the largest taxpayers in San Mateo County. The equalizing and storage reservoirs of the water supply

of San Francisco are located largely in San Mateo. San Francisco has just completed a large modern jail in San Mateo. San Francisco has contributed large sums of gasoline tax money to the construction of four broad highways in San Mateo for convenient movement of traffic between the counties. San Mateo is one of the principal "bedroom" areas of its larger neighbor. The success or failure of the home rule county executive plan will determine very largely the speed with which a consolidation movement will progress. At the moment, there is a decided regression in the proposal. One would not attribute this entirely to the new plan. Economic

disturbances doubtless play a part. However, one years of operation of these charters in San Mateo and Sacramento show conclusively that no mistake has been made in their adoption and trial and only a few in their conception and plan. Experience and teaching have overcome the most pessimistic opponent. A spread of the plan is inevitable in this state in the very near future.

The optimist has observed and written. Perhaps one needs to be an optimist to find any improvement in modern local government. Such is the story and it is bright. The future alone will disprove this view.

EDWIN A. COTTRELL

VIRGINIA

EXPERIENCE has now come to the aid of abstract argument in establishing the soundness and workability of the manager plan of government for counties. In Virginia three counties in widely scattered sections of the state have given trial to this plan of government. In Arlington the plan has been in effect for more than two years and in Albemarle and Henrico for six months.

Before considering the experience of these three plans it will be well to point out briefly the differences between them. The Arlington system, provided under an act which by its terms excluded all other counties of the state, might well be termed a partial or limited county manager plan. It leaves untouched the major elective officers of the county, such as treasurer, commissioner of the revenue, clerk, sheriff, and commonwealth's attorney. Neither the manager nor the board of supervisors has any effective control over these officers. It is apparent that, except for the provision of a manager, there has been little if any change in the administrative structure of this county.

In Albemarle and Henrico the county

executive form and the county manager form respectively are in effect, as provided under a general optional forms act passed in 1932 and applicable to any county in the state conforming to its terms, except Arlington. The county executive plan was briefly described by the writer in the July 1933 issue of the REVIEW. Suffice it here then to point out the major differences between the two optional plans. These differences are two in number, and have to do with appointment and compensation of certain officers and employees of the county. Under the manager plan the manager appoints most of the administrative officers of the county and fixes the compensation, subject to approval by the board of supervisors, of all those appointed by him. Under the executive plan the board of supervisors appoints, upon the recommendation of the executive, all officers of the county except the clerk, sheriff, and commonwealth's attorney who remain elective under both plans; and fixes the compensation of all officers and employees of the county, including the three elective officers. In short, both of these plans provide for the appointment of all county

officers in the administrative service of the county except the three named; both plans place all county officers and employees on a salary to be fixed either by the board of supervisors or by the manager with the approval of the board and, therefore, effect a complete abolition of the fee system as a method of compensation; both plans provide the board of supervisors with a responsible executive agent having the power and the responsibility for the efficient administration of all the administrative activities of the county which the board has authority to control.

OPERATION OF THE PLAN IN ARLINGTON

The new plan of government in each of the counties above encountered serious obstacles in getting under way. In Arlington a few weeks after the manager plan became effective serious shortages in old accounts of several officers were discovered. In the office of treasurer alone there was a shortage of \$571,000. Other shortages added approximately \$100,000 to this figure. These shortages amounted to more than two thirds of the annual budget of the county. The county recovered \$350,000 of the larger shortage, and within a few months was able to pay off its floating indebtedness, to pay all accounts, and to re-establish the sinking fund up to its normal level. There has been a general toning up of administrative procedure under the manager plan as shown, for example, in the installation of a very efficient accounting system by virtue of which detailed information relative to the financial affairs of the county is available to any citizen at any time, in the establishment of an orderly system of financial planning through the executive budget, in the establishment of a general county-wide tax levy in the place of the former special and district levies, and in the general coördination of the various departments under the control of the

county board into a more coöperative system, thus eliminating the overlapping of governmental agencies in many places.

The tax rate of the county for all services has been reduced from 10 to 17 per cent. The budget has been decreased each year with no serious curtailment of services to the people. On the contrary many services have been expanded and improved.

The economies and improvements in governmental services which have been effected in Arlington within the past two and a half years are apparently due more largely to efficient methods of administrative procedure under the direction of a capable manager than to a general reorganization of the administrative structure of the county in accordance with managerial principles. In fact there has been no general reorganization in this county. County officers named in the constitution of the state, excepting the board of supervisors, remain untouched, although an amendment to the constitution gives full authority to the legislature to abolish any and all existing offices and to set up a completely different system of county government, subject to approval by a majority of the people voting thereon in any county. It is unfortunate that Arlington was excepted from the general optional forms act passed in 1932. No county in the state could show better results under a thorough-going manager plan than Arlington.

SIX MONTHS OF MANAGER GOVERNMENT IN HENRICO AND ALBEMARLE

Although the new forms of government became legally effective in Henrico and Albemarle on January 1, 1934, the refusal of the old board of supervisors in the former county and of the treasurer in the latter to surrender and vacate their offices necessitated court action which postponed the actual operation of the plans until the middle of

March. In spite of these early handicaps, however, substantial improvements have already been effected in both counties.

In Henrico a reduction of 26 per cent in the general county levy was provided in the new budget. This reduction was made possible through the reorganization. Adequate provision has been made for caring for the previously incurred indebtedness of the county, which the old administration seems not to have worried about. This, of course, necessitated an increase in several of the debt levies. A school term of nine months has been provided for the 1934-35 session instead of an eight-months term provided by the previous administration for 1933-34.

In the department of finance, which took over the duties of the former offices of treasurer and commissioner of the revenue and in addition the purchase and distribution of supplies and the supervision of accounts, more efficient service at less cost than under the old system has been realized. The director of finance was appointed at a salary of less than one-fourth that of the former treasurer and commissioner of the revenue. Four deputy treasurers, or tax collectors, have been dispensed with and a series of letters has been found very successful in the collection of delinquent taxes. Centralized purchasing covering supplies and equipment used by all departments, including the school system, has been installed. Cash discounts are being taken on purchases of materials, and more than \$100,000 in surplus cash has been placed on interest in Richmond banks. This salutary change permits the school board, which is now appointed by and directly responsible to the board of supervisors, to devote its attention to the educational problems of the county rather than to coal bills, insurance policies, and other material problems.

In the department of public works the four district road forces have been abolished and a county unit system adopted. This change has made possible a reduction in the number of road superintendents and a more efficient operation of road equipment as well as a more coördinated road program. It should be stated in this connection that Henrico is one of three counties of the state continuing to build and maintain their roads. The state has taken over all roads in the other ninety-seven counties. Expansion and improvement in other public works activities are under way.

In the department of law enforcement the police force has been reorganized under the direction and control of the sheriff. Nine police cars are being equipped with radio, operating in co-operation with a new short-wave station installed by the city of Richmond which adjoins the county.

Health administration in the county has been expanded and improved. Two additional trained nurses have been added to the staff, thus giving more careful supervision of cases of communicable diseases.

Thus all along the line service has been expanded or improved, with no increase in the aggregate expenditures of the county.

In Albemarle, a rural county, similar economies and improvements in governmental services have been put into effect. A reduction of 40 per cent in the cost of handling the financial department alone has been accomplished by the abolition of the offices of treasurer and commissioner of the revenue and the consolidation of the functions thereof in a department of finance under the direction of the county executive. It should be noted that this saving includes the salary of the county executive who also serves as director of finance. The greatest benefit derived

from this change, however, is not to be found in the economy involved but in the greater efficiency with which the financial affairs of the county are being administered. For example, a comparison of delinquent tax collections for August, 1933, with collections for August, 1934, shows that a series of tax collection letters sent out by the county executive in the latter month was 25 per cent more effective than the treasurer's deputies in the same month of the preceding year.

A saving of approximately 30 per cent in the department of records under the direction of the clerk will be realized this year with no drawback to the usual efficiency of this department.

Next to the department of finance probably the greatest improvement in service has taken place in the office of sheriff in the department of law enforcement. This improvement is attributed to the fact that the sheriff and his deputies, including the jailer, have

been placed on definite salaries fixed by the county board of supervisors. Hence, the performance of each duty has been divorced from any thought of the amount of the fee resulting therefrom.

In general, improvements in administrative procedure and in positive governmental services have been noted in Albemarle, and these things have been accomplished with a reduction of approximately 30 per cent in general county administration, which does not include schools.

In each of the three counties here considered there is observed a revival of popular interest in local government. The people have confidence in the new system of government not only because it is more efficient, but also because they realize that they now have a means of holding the local governmental authorities definitely responsible for the success or failure of their government.

GEORGE W. SPICER

DURHAM COUNTY, N. C.

NORTH CAROLINA in its attempt to improve county government received nation-wide attention a few years ago by making it possible for the counties within the state to adopt the county manager form of government. Now, after seven years, it is high time that an account be made of the results obtained in a county using this system of government.

The county manager form of government was adopted by Durham County August 18, 1930—a time when the county was in very serious financial straits. Prior to this date no centralized control existed over county finances and the resulting inefficiency was rapidly leading to serious financial difficulties. Each year the county would go further into debt and would find it necessary to borrow from \$250,000 to \$500,000 annually in anticipa-

tion of taxes. These taxes in many cases were later found to be nearly impossible to collect. In 1930 the county was also faced with an operating deficit of over \$33,000, a floating indebtedness of \$533,000, in addition to a bonded debt of \$1,795,000. To make matters worse, a shortage was discovered in the sheriff's office of nearly \$200,000. All in all, the county was in debt \$2,328,000. The future held nothing in store for the depression was getting well under way, credit was hard to maintain with the banks, and the collection of taxes was becoming more and more difficult.

When the financial position of Durham County is studied today, it is hard to recognize this county as the one that in 1930 was in such dire financial straits. Today the county's total indebtedness has been reduced to \$1,929,-

000. The remaining indebtedness is only 2 per cent of its assessed property value. The county never went into default, although sixty of the one hundred North Carolina counties have defaulted. Durham County is operating well within its budget and expects to close the present year with an operating surplus as it has done for the last three years. Its bonds today are selling at a premium. Yet during this period not a single foreclosure was made on any piece of property within the county. All this has taken place during the depression when property values declined rapidly, when banks in the county were closing, and when a majority of the counties were finding it impossible to carry on financially.

The excellent showing of Durham County may be attributed to two things. First, rigid state supervision although the other counties within the state have had exactly the same supervision. Second, a county government that has worked efficiently and well, with co-operation between the different departments and with a sound financial policy and close supervision. After the appointment of D. W. Newsom as county manager in 1930, the first thing that was done was a complete overhauling of the entire financial machinery of the county. Each department was placed under rigid budgetary control and a modern system of accounting was installed. Through the daily supervision of revenue and expenditures, through the inclusion in the budget of an ade-

quate amount for emergencies and failure to collect taxes, along with economical buying, better tax collecting, and profitable commercial discounts, the county has not only met all operating expenses but during the last four years has paid \$700,000 in principal and interest requirements.

It might be asked what services have been discontinued in Durham County in order to account for this excellent showing. No services have been discontinued by the county except those which have been taken over by the state. No new bond issue has been made for additional projects, but all county property has been kept in good repair. Considerable improvements have been made at the county home, in the courthouse, and much new equipment has been purchased. The salaries have all been paid, although a 10 per cent reduction was made in the salaries of all appointive officers—the elective officials continue to receive the same salaries. New officials have been added as delinquent tax collector, a tax collector, an electrical inspector, and a fire and game warden. It may, therefore, be concluded that no necessary governmental service has been discontinued, but, on the contrary, several new services have been inaugurated. It is true that the upkeep of the roads and most of the expense of running the schools have been taken over by the state. This action has been taken with respect to all counties, yet the accompanying table shows that Durham County is the only county in the

County	Assessed Property Value	Tax Rate	1932 Tax	Assessed Property Value	Tax Rate	1933 Tax	Saving to the Taxpayer
	1932	1932-33		1933	1933-34		
Forsythe	\$1,000	.50	\$5.00	\$760	.50	\$3.80	\$1.20
Guilford	1,000	.666	6.66	780	.64	4.99	1.67
Wake	1,000	.88	8.80	800	.88	7.04	1.76
Mecklenburg	1,000	.55	5.50	650	.60	3.90	1.60
New Hanover	1,000	.774	7.74	900	.75	6.75	.99
Gaston	1,000	.53	5.30	760	.51	3.88	1.42
Orange	1,000	.80	8.00	785	.87	6.83	1.17
Durham	1,000	.80	8.00	840	.54	4.54	3.46

first group of counties in the state that has made the tax load appreciably lighter upon the taxpayer. The operating expenses of the county, excluding the road and school funds, and bond service, have dropped 32 per cent during the same period.

The account above shows that Durham County is being run in a business-like fashion and that the new system of government, when compared to the old system that was formerly used, is immeasurably better. Let us now compare the condition of Durham County with the other large counties of the state and see what the taxpayer of Durham County has gained by this efficient government. In the first place, it must be remembered that sixty of the one hundred counties of North Carolina have defaulted either in interest or principal payments on their serial bonds. In some instances it has been only for a small amount, while in other cases the default has been very large. The accompanying table is a comparison of Durham County with the wealthier and the neighboring counties of the state. None of the counties in this table has defaulted in any way and none of them uses the county manager form of government. It will be seen that Durham County has been able to capitalize upon the state's assumption of the upkeep of roads and schools more than any other county and that the taxpayer in Durham County has received relief not given to the taxpayer in other counties.

In the table above let us assume that a certain taxpayer was the owner of land in the eight counties, and that the assessed value of his property in 1932 was \$1000 in each of the counties.

Knowing the tax rate in each county, the amount of his 1932 tax is easily determined. In 1933, however, the assessed value of property in each of these counties was reduced and the tax rate was in most cases also lowered. This reduction was made possible by the state taking over the upkeep of the highways and most of the expense of running the schools. As a result, the taxpayer paid less money in taxes in each of these counties in 1933 than he did in 1932. The amount saved varied by county, but it is found that Durham County was the one in the list that gave to the taxpayer real relief. In Durham County the taxpayer found his taxes were reduced \$3.46, while the nearest county to Durham in the amount of savings to the taxpayer was the neighboring county of Wake with \$1.76, a difference in favor of Durham of \$1.70. The amount of money saved in Durham County was more than twice the amount of the average saving in the seven other counties. Efficiency in county government depends upon a number of different factors and the success of a particular form of government is hard to determine. The facts above show the results of successful government. True, the county commissioners and the county manager have made mistakes; true, there are persons in Durham County still dissatisfied with their system of government; but results like those above which save the taxpayer money, which other counties in the same locality cannot obtain, fairly indicate the success of the present system of government in Durham County.

ROBERT S. RANKIN



County Home Rule: Pro and Con

Presenting two sides
of an important ques-
tion on county gov-
ernment

ARTHUR W. BROMAGE
KIRK H. PORTER

*University of Michigan
State University of Iowa*

ADVANTAGES OF COUNTY HOME RULE

THE advantages of home rule for counties are not necessarily uniform throughout the United States. It cannot be said of any series of categorical advantages that these are the merits of home rule for the county—anything else in the constitution, laws, and traditions of a particular state to the contrary notwithstanding. Through experience we now know that municipal home rule is not a panacea. Home rule has thrown the delineation of municipal powers upon the courts wherever cities are given control over an indefinite sphere of local affairs by state constitutional mandate. Yet, it has accomplished much by restricting legislative meddling in city affairs. A substantial contribution was made to the form of municipal government. Cities experimented with types of government. The design of municipal structure was removed from legislatures and placed in the hands of local charter commissions. Local effort was spurred. Many home rule manager charters demonstrate the merit of this principle in municipal government.

County home rule, unlike municipal home rule, can hardly aim at a constitutional grant of power over an indefinite sphere of local or county affairs. As an administrative subdivision of the

state the county must confine itself to powers and duties imposed upon it by the legislature. To grant counties control over an undefined range of local affairs would be to throw a burden on the courts. They would be hard put to draw the line between state and county affairs. The intricate relationship between state and county administration would be disrupted. The recent Ohio home rule amendment states that every county charter "shall provide the form of government of the county and shall determine which of its officers shall be elected and the manner of their election. It shall provide for the exercise of all powers vested in, and the performance of all duties imposed upon counties and county officers by law."¹ The county home rule principle in Texas is limited by the proviso that no charter "may inconsonantly affect the operation of the general laws of the state relating to the judicial, tax, fiscal, educational, police, highway, and health systems, or any other department of the state's superior government." Moreover, nothing in the amendment can be deemed to authorize "the adoption of a charter provision inimical to or inconsistent with the sovereignty and established public

¹Ohio, *Constitution*, Art. X, sec. 3.

policies of this state. . . ”² Under the constitutional amendment which the voters of Michigan will pass upon in November, any home rule plan created by a county “must provide for the exercise by appropriate officers of the county of all duties and obligations now or hereafter imposed by law on counties and county officers.”³ Home rule for counties must of necessity be home rule of a limited type.

In assessing the advantages of the limited home rule principle for counties the existing constitutional barriers are a logical first consideration. The 1932 report of Howard P. Jones to the National Municipal League committee on county government showed that the most serious barrier to change in the form of government was the large number of elective county officials prescribed by state constitutions. This analysis demonstrated that only seven states were free of this complication. In fourteen others the list of elective officers was not so great as to bar significant structural changes. In the remaining twenty-seven states, the long lists of elective county officials in state constitutions prevented changes in governmental form. Since 1932 Ohio and Texas have passed from the last to the first category, and Michigan has an opportunity to do so by popular referendum in November.

The principle of limited home rule enables individual counties to break away from existing constitutional forms. These constitutional types of county government are old-fashioned. They rest on the Jacksonian foible of electing all important county officers—administrators as well as members of county boards. No effective working relationship exists between county boards and administrative agents. They preclude

the creation of a chief executive. Limited home rule for counties obviates these constitutional strictures of popular election. It allows particular counties to establish modern forms of government. These may be, for example, the manager plan, or the Virginia executive type with or without variations as their individual situations may warrant.

OPTIONAL FORMS

Constitutional amendments might overcome these constitutional barriers by authorizing state legislatures to establish optional forms of county government to become effective in any county by a local referendum. Some states have already surmounted the constitutional problem by such optional legislation. Counties, for example, may adopt the manager plan under optional laws in North Carolina, Montana, Virginia, and Nebraska. In Montana and Virginia these optional plans are based on relatively recent constitutional amendments. These allow the legislature to set up forms of county government different from that prescribed by the constitution. Such optional law plans can be drafted with a view to the general public policy of the state in problems which involve both county and state administration. Once on the statute books, these plans are always available to counties which wish to essay a new form of government. The needs of the average rural county can be met by such legislative alternatives. The probability of litigation will be lessened. Under home rule the courts may have to decide whether home rule charters do provide for the exercise by appropriate offices of all duties and obligations imposed on counties by law. This will, however, by no means impose on the courts a burden parallel to that created by the indefinite grants to cities of power over their local affairs.

The optional law system is a formid-

²Texas, *Constitution*, Art. IX, sec. 3, par. 2.

³If ratified, Michigan, *Constitution*, Art. VIII, sec. 1-A.

able rival to the limited home rule principle. Where a state legislature has in good faith taken advantage of existing constitutional liberality and made alternative forms of government available to counties, the home rule principle may be unnecessary. This is true in states which do not have an extreme range from rural to urban and metropolitan counties. States in which there is no system of municipal home rule may, perhaps, proceed more readily to county reorganization by the optional law method. Again, states which have found local response lacking under home rule for cities might better try first the optional law plan.

HOME RULE ADVANTAGES

Home rule has, on the other hand, distinct advantages not found in optional legislation. It provides for and encourages local experimentation with forms of county government. Many plans of county organization have been suggested. The trial and error method is one way to find the best. Home rule permits such experimentation. In California various solutions to the problem of county organization have been tried or attempted under home rule. The San Mateo and Sacramento charters and the defeated charter of Santa Clara are evidence that home rule allows experimentation with forms of government. Only through the actual process of charter formation, adoption or rejection, successful or unsuccessful operation can appropriate organizations for counties be developed. State optional laws will provide at most several alternatives. They will tend to be uniform from state to state as legislatures copy from the model manager law and from each other. Under this system counties which are not interested in the options established have little choice. Unless they wish to campaign on a state-wide basis for an additional optional form,

they must remain under existing organization.

The process of drafting, adopting, and supporting a home rule charter is a salutary experience for county electorates. It stimulates local interest more than the mere acceptance of an optional plan handed down by the legislature. Although there is a choice between home rule and optional laws, there can be no doubt as to the superiority of home rule over existing constitutional forms. When there is no possibility of change, local interest is deadened. In an age of dictators and centralization of power there is much to be said for any system which encourages local initiative in the solution of local governmental matters. There is little, if any, danger that counties will proceed at a reckless pace to frame absurd forms of government. The history of municipal home rule and the experience of California with county home rule would mitigate any such contention. Local initiative must be induced and the electorate must be educated to cast off existing forms for new types of government. The probability under normal conditions is that the people will be too hide-bound about existing county organization. They will be grounded in these beliefs by the facile and tireless arguments of office-holders.

For the state which faces the dual problem of rural counties and urban and metropolitan counties the ideal solution appears to be a combination of optional laws and limited home rule. Under these circumstances the home rule principle will serve two additional ends. It will be the big stick which the reformers can rattle to force legislative action in the creation of optional plans. Too much emphasis cannot be laid upon this point. The mere breaking down of constitutional barriers by authorization of legislative creation of alternative forms may not suffice. In a number of

states the urban-rural conflict is sharp, and the rural legislator is against new-fangled, urban ideas for counties. While there is no way to compel legislative passage of such alternative forms by constitutional mandate, home rule affords a solution. The legislature is much more apt to pass alternative acts, if it knows that home rule charters will come whether or not it takes action. The optional law then becomes the lesser of two evils from the legislative point of view.

The second end served by the home rule principle under these conditions is to open the door to experimentation by urban and metropolitan counties. If the optional law systems devised by the legislature do not satisfactorily meet their needs in county organization, they are free to devise their own plans. The legislature cannot thwart local action either by failure to enact alternative forms at all or by failure to enact alternative forms suitable to the more populous counties. Rehabilitation of the urban county is pressing. Often the urban county is most desirous of change. Since state legislators have often been inattentive to municipal problems, it is too much to expect that they will be zealous in the solution of the problems

of the populous, urban county. The over-representation of the rural areas in urban states assures a rural legislative point of view. Home rule for counties, like home rule for cities, is, in part, an urban struggle against rural attitudes in state legislatures. In these circumstances the home rule principle has peculiar advantages. It will not make county government better but it will make better county government a possibility. It is an avenue to progress and one that should be carefully explored by all states seeking to reorganize county government, particularly those with populous counties and recalcitrant legislatures.

The interlocking directorate of state and county political machines is patent. The limited county home rule principle increases the political power of the non-partisan, reform groups in a county. Like the direct primary, it gives them a chance to defeat the machine. If they can stir up the electorate, they can devise and possibly carry through a plan of county government superior to existing systems. In the face of political realities which lie in wait for any scheme of county reconstruction home rule is an effective weapon.

ARTHUR W. BROMAGE

COUNTY HOME RULE A MISTAKE

SIMPLY to advocate "home rule" for counties is to be a little bit vague. One cannot very well be for or against it until he knows what is implied in the phrase. As frequently is the case with slogans that contemplate reform of government, the words imply far more than even the most enthusiastic advocates really intend. Literal self-government for counties is out of the question; but counties might be given a very much larger measure of freedom, and a broader opportunity for dealing with their own governmental problems than is now the

case. And if the counties were permitted to determine in part their own governmental structure, and, to a limited extent, the functions which were to be performed and the powers enjoyed, the phrase "home rule" might be applied.

Those who advocate home rule usually contemplate a provision in state law that would permit the people of a county to frame a county charter, setting up a structure of county government that seems good to them, and providing for the activities to be carried on through the various offices and departments. The

chief idea, when we once get past the generalities about letting people "govern themselves" and "adapt their government to local needs", is to prevent special legislation for counties and to relieve them of having to get permission from the legislature to do the things they want to do.

This idea is excellent. Special legislation has been a curse to local government; and the need for getting special permission to do things has held up desirable reform to a very great extent. But the trouble has been that the state has put altogether too many restrictions, limitations, and mandatory obligations upon counties. Sometimes these provisions are found in the constitution. That is very bad. But most restrictions are found scattered through the statutes.

In the first place there ought to be little or nothing in a constitution about county government. For one generation to bind a future generation with respect to matters of local government is to flout the very principles of democracy which advocates of constitutional restrictions so frequently invoke. It makes it impossible for the future generation to enjoy democracy. Constitutional provisions that fix county boundaries, that provide for offices which become as obsolete as that of "town crier" or "perambulator" (though we may be tempted to revive the ancient town office of "tester of beer"!), that fix tax rates or impose debt limitations which later become absurd, that tie the hands of legislatures in the matter of shortening the ballot, reorganizing offices, creating new departments and authorizing new activities—all these strangling limitations should be swept out of state constitutions.

Nevertheless, advocates of home rule often propose their own scheme as a constitutional amendment designed to afford escape from limitations already in

the constitution. This is not the way to deal with the problem. Cut out constitutional provisions instead of adding new ones, and give the legislature a chance.

MEANING OF HOME RULE

The question would then arise as to whether or not the legislature should grant home rule to counties. And it is proper to ask: With respect to what matters might they want home rule? Would it have to do with governmental structure? Might one county want a board of supervisors of three, while a neighboring county wants forty-three? Might one county want an elected sheriff and another county not? Might one county want two-year terms and another four? Might one county want its clerical officers elected and another county want them appointed? Might one county want a separate highway department and another county want to merge highways with the broader field of public works and purchase? Might there be differences of opinion in the matter of combining the functions of public welfare and public health—all of which desires home rule provisions would accommodate?

Or is it not so much structure of government as it is matters of power and function that can be dealt with best by granting home rule? Should counties have discretion with respect to the character of highway construction and maintenance? Should counties determine their own tax rates? Should they be free to decide that they would not maintain a health service but let the state do it? Should they be individualistic in the matter of recording deeds, the assessment and collection of taxes, and the records of the clerk of court? Should one county make its sheriff accountable to its board of supervisors and another county leave him independent? Should one county absorb its schools in a county unit plan

and another retain its system of tiny districts? Might there well be variations with respect to methods of doing welfare work, police work, etc.?

Of course, merely to ask many of these questions is to imply a negative answer. And perhaps it is unfair to seem to convey the impression that advocates of home rule for counties would answer yes in every case. The likelihood is that they would disagree very widely, each one opposing home rule as respects certain matters, and for much the same reasons that induce other advocates of home rule to oppose its application in other fields.

VARIATION UNNECESSARY

There is no need for wide variations in structure of county government. Even great differences in population do not necessarily call for differences in structure. A board of county commissioners of three or five is suitable for a county of ten thousand population or two hundred thousand. A treasurer's, or a recorder's office may be occupied by one man, or by a staff of fifty civil service employees. The basic structure of county government today is adaptable to a very broad range of populations. It could and should be still more so. The elimination of numerous elective offices, particularly the clerical ones, and the setting up of a few departments to correspond with certain comparable state departments would make possible a basic county structure that could readily be adapted to the needs of all counties except those having a very large metropolitan center. In these cases city-county consolidation should be effected, thus presenting problems of city government rather than county government. But if one basic structure of county government is not thought to be enough, the legislature could provide two or even three alternatives. The principle is well known in the field of city government although the arguments

for it are not nearly so cogent in the field of county government. Anyway, there is no need of home rule, so far as structure is concerned, as respects the vast majority of counties.

As regards function, the need for home rule, in order to permit variation, is still less apparent. The chief functions of the county—police, prosecution, tax assessment and collection, highway construction, poor relief, public health administration, and school management—are, every one of them, activities in which the state inevitably will, and should, take an ever-growing interest and measure of control. This is no argument for state centralization of functions and authority. The point is that county highway departments, health and welfare departments, the offices that deal with police work, prosecutions, tax assessments and collections, most emphatically ought to be organized in such a way as to effect intimate coöperation with state departments of health, welfare, education, etc. The very implications of the phrase "home rule" spell variation, confusion, independence of action—everything indeed which the student of administration has been working to get away from. If home rule means anything, it means lack of uniformity, and a high degree of independence. This would obstruct a very wholesome tendency to improve the administration of county services. Home rule is quite unnecessary as respects functions of county government.

As regards power, is there need for variation? An answer that goes around the question is that governing boards in counties ought to have far more power than they now possess. There ought to be fewer limitations on their power. Then there would be fewer demands for special legislation, and incidentally much less talk about home rule. Supervisors, or commissioners, quite

(Continued on Page 535)

Will Counties Merge?

A changed community necessitates a new county

J. THOMAS ASKEW

University of Georgia

EVERY one will subscribe to the statement that the community, in recent years, has undergone many drastic changes. The mechanization of transportation and industry, accompanied by a rapidly changing social order, has altered, and will continue to alter, the outlook, organization, and size of the community. The city and town, in order to take advantage of the great possibilities offered a progressive community in an age of power, are painfully but nevertheless surely, reshaping aims, organization, and boundaries. The county does not remain untouched. Improvements in organization in North Carolina, Virginia, California and elsewhere bode well. But the size of the county remains unchanged, and as this condition continues the county as a unit of local government approaches obsolescence ever at a quickened pace.

The need for mergers throughout the country has grown so great that one is tempted to suggest a league for the reduction of counties. Such would be common American practice and if the usual ballyhoo could be avoided the results might be more uniformly beneficial. One thing seems certain: unless more decisive action is taken by those actively interested, in spite of apparently insuperable local sentiment, the small, weak county will continue to retard the social and economic progress of the community, and will discredit the county as a unit of local government.

Local pride, the most effective opposition to mergers, is not something to be derided; but county pride is now so local that it is likely to spell suicide. It is useless to fight for the continuation of the county if its usefulness is to be nullified. Those who believe a strong self-reliant county can best serve many needs of the community, train future statesmen, and produce an informed civic-minded citizenry have every reason to be alarmed over the "suicide" loyalty of the pauper county. High standards cannot be maintained, and state assistance for such counties is questionable if they refuse to assist themselves by combining their resources with adjoining counties. Direct state administration and control of functions, in many sections, is preferable to the continuation of many small counties and may eventually be the outcome.

The average present-day county is too small, does not conform to a trade area, does not have sufficient taxable wealth, is too expensive, and contributes nothing to the art of statecraft. All these facts apparently make convincing arguments for county mergers.

Counties of today are many times smaller than those of the past when computed in terms of time-distance. The Tennessee Taxpayers Association, for example, claims that that state could be divided into twelve counties (there are now 97) and still place 98 per cent

of the people within two hours of their respective county seats.

The small rural county has slight relation to the trade area. To cite one instance: according to P. B. Lewis, solicitor of Burke county, in five closely aligned counties in Georgia, two with cities (Augusta and Savannah), the tax digests in the city counties revealed a 25 per cent increase between 1913 and 1933, and were within 90 per cent of the peak year 1920. In two of the country counties there was a loss in 1933 over 1913, and in all three country counties there was a reduction of 60 per cent or more between 1920 and 1933. The city counties increased by a ratio of five to three over the others. Merchandise on the digest (1913-1933) made a relative gain of two to one in the city counties as compared to the country counties. There is strong opposition in these country counties to mergers.

The city and large town with a variety of merchandise, recreational facilities, amusements, well equipped hospitals, etc., are overwhelming competition for the once secure little community. Wealth is concentrating in natural trade centers which contribute nothing directly in the way of taxes to the support of surrounding counties.

Look at another section of the same state. A group of eight adjoining counties, approximately 1,300 square miles, have a combined tax income of \$125,000 exclusive of fees (amount unknown). There are 113 regular county officials, not including members of the school boards. Incidentally, between two of the counties, for several miles, the county line is not definitely located, and one courthouse, a few months ago, retained its upright position by leaning on a huge pine pole. All counties are in close proximity, by good state roads, to a trade center of 8,600 people, in a county with a tax income of \$150,000. There are three other smaller trade cen-

ters surrounding this section, but there is slight possibility of any mergers although there is every reason to conserve financial resources. No candidate for the legislature has dared advocate a merger, but one has declared that he would resist with all the power he possessed any such attempt.

POOR SERVICE AT A HIGH RATE

The quality of county services is usually in proportion to the amount of taxes available, and the small county is frequently the most costly in spite of inferior performance. In Illinois the property tax levies in ten pairs of large and small counties with similar geographical location revealed the per capita levies, 1929, for all taxes in the small group to be \$45.07 and in the large one, \$41.33. For county purposes alone the small counties averaged \$4.36 per capita as compared to \$3.27 in the large ones. (M. H. Hunter, "Costs of Township and County Government in Illinois," pamphlet, 1933.) Poor services at high rates in small counties would seemingly make a convincing statement for mergers, but another recent Illinois study, while pointing out the advisability, states that mergers are impracticable.

The Virginia County Commission found a group of four small counties with area, population, and taxable wealth comparable to one large county. The combined operating cost of the small counties was \$114,000 more than that of the one large county. Per capita cost was also higher in the small counties.

Is the incapacity of a majority of counties surprising in the face of constantly increasing demands for more and better services? Local pride, the courthouse crowd, and the county-seat merchant by forestalling mergers are forcing the state to assume local functions. They have stacked the cards against the county in a game of strip poker.

Few will contend that the county should try to perform services that only the state can adequately handle, and if the county perseveres in remaining weak it will be increasingly difficult for it to handle any modern services well.

There is little incentive for the more intelligent citizens to take an active interest in county affairs if the county has negligible work to perform. A government needs something worth while to do, and on its own initiative; it must make itself attractive and interesting to demand the attention of the best minds. Activities in the small county are so narrowed that the experience gained in administering it is of small consequence when applied to state and national affairs. The contribution of the weak county to the art of statecraft is nil. A modern democracy requires trained leaders, and a government-conscious and informed citizenry; a model county would help to supply these.

EXISTING MERGERS SUCCESSFUL

There have been only three mergers, all in urban areas. It is unfortunate that some rural section (with an adequate trade center, of course) has not tried the experiment. Some way should be devised to conserve the limited resources of the rural community. Results in the Hamilton-James (Tennessee, 1919) and the Fulton-Campbell-Milton (Georgia, 1932) mergers have exceeded all normal expectations and warrant a decided presumption in favor of mergers in general. Hundreds of American counties are nothing more than glorified townships with nothing to contribute to the welfare of the people. They could be profitably and wisely absorbed.

In spite of all the scholarly efforts of

research workers it is safe to say that the apathy which was responsible for county corruption and inefficiency will not be dispelled by a compilation of statistics in behalf of county mergers. The problems involved are intricate and many immediate sacrifices by a large number of individuals for the long range public good are necessary. Any one who believes that the vested interest of the county will surrender its privileges without a more militant opposition than has been exhibited thus far, is simple indeed. Any one who believes that county mergers are certain to come should go out and talk to a few country folk. Look at the results! Mergers have been suggested in more than half the states, but to date the number of counties remains within three of the maximum.

American ingenuity and adaptability has for years made the most of a rickety county system. But even American genius has its limitations. Without some unforeseen development the future usefulness of the county as a unit of self-government and as an administrative district of the state depends upon at least three things: (1) a sane distribution of functions between the state and county; (2) reorganization of the county along accepted business lines, with authority definitely centralized; and (3) county mergers or state re-districting to eliminate the small weak county. And the last should be accomplished along with the first two.

If the county persists in remaining inefficient and in retaining its ill design it deserves no better fate than the one it is rapidly approaching. Will counties merge? Prospects look dark, but the stakes are high and worthy of more attention than they have been given.

City-County Consolidation

Another problem, the solution of which may depend on regenerating county government

THOMAS H. REED

*Director, Municipal Consultant Service
of the National Municipal League*

THIS is a subject on which much has been said and little done. As far as the last quarter of a century is concerned, "consolidation" is like the snakes in Ireland except that no one wants snakes in Ireland and many ardently desire consolidation. During this period there have been proposals galore but so far the political influences intrenched in the courthouse have been able to thwart the efforts of reformers.

The number of authentic city-county consolidations has been and still remains very small. The mere fact that a city and a county government each operates in identical territory does not constitute consolidation of city and county government. Consolidation cannot be said to exist unless one "legislative" body and one set of administrative officers perform without duplication the functions of both city and county government.

City-county consolidation is now complete or nearly complete only in the following cities in the continental United States: (1) Baltimore, separated from Baltimore county (1851); (2) Philadelphia, consolidated with Philadelphia County (1854);¹ (3) San Francisco, erected from part of the territory of San Francisco county, the balance of the county being thereafter

styled San Mateo county (1856); (4) New Orleans, partially consolidated with Orleans parish (1874); (5) St. Louis, detached with certain additions from St. Louis county (1876); and (6) Denver, separated with some added territory from Arapahoe county (1902).

In addition, all cities of over ten thousand population in Virginia are separated from the counties in which they are territorially located. The weight of opinion does not approve a separate county status for cities as small as ten thousand. In England for many years fifty thousand was regarded as the bottom limit for a county borough, and this is now generally regarded as too small in that country.

Moreover, there are a few anomalous relationships such as that between Boston and Suffolk county, where the powers of county commissioners are exercised by the city council of Boston, which city also pays the whole cost of operating the county government though three other municipalities (Chelsea, Revere, and Winthrop) are located within it. In Greater New York there are five counties, with the board of estimate and apportionment and the board of aldermen of the City of New York exercising for all of them such remnants of the powers exercised elsewhere in the state by boards of supervisors as are still necessary, but in each of which the people continue to elect

¹For a discussion of the details and results of this consolidation, see Bureau of Municipal Research of Philadelphia, *The City and County of Philadelphia* (1923).

the constitutional county officers. The cost of maintaining these offices has become a scandal.

It is apparent from the list above that there are two ways of bringing about city-county consolidation. The first is by extending the limits and authority of the city government to embrace the whole county in which it is situated. The other is by separating the city (including perhaps some suburban territory) from the remainder of the county to form a new consolidated city and county government. The Philadelphia consolidation was of the former sort, but the area of Philadelphia county was small and was already mostly built up so that the economic and administrative effects of consolidation there were similar to those brought about by separation in other cases. The outstanding examples of separation are San Francisco and St. Louis. There can be no doubt that consolidations of this type are productive of economy in operation. It is possible to supply the combined services of city and county government in a compact, thickly populated area more cheaply than under any other circumstances. There are, however, serious difficulties entailed by separation. They can be illustrated from the experience of St. Louis. The boundary of the present city-county known as the City of St. Louis was drawn in 1876 so as to leave within its limits what was then regarded as a sufficient margin for the growth of population. This margin has long since been exhausted, but the boundary line, in spite of several vigorous attempts to change it, has remained fixed.

PRESENT BOUNDARIES REMAIN

In our legal system the normal processes of annexation do not ordinarily operate across county boundaries, so that the arrangements of 1876 have

actually operated to seriously hamper the normal growth of St. Louis. Some of the most serious of those problems which are usually described as "metropolitan" exist as a result in the St. Louis area. For at the same time that St. Louis' growth has been hindered, the development of highways and other modern facilities in the outlying portions of the old county has been held back because the wealth of St. Louis has not been taxable to provide them.

The result of all this is that today there is little talk of city-county consolidation by the process of separation. All the more recent proposals involve the inclusion of the whole county or substantially the whole county. The most recent project which has come to our attention, for example, a constitutional amendment to be voted upon by the people of Florida at the coming state election, gives the legislature power to "establish, alter, or abolish a municipal corporation to be known as the city of Jacksonville extending throughout the present limits of Duval County in place of any or all county, district, municipal, and local governments. . . ." This is a recognition of the fact that the city needs the surrounding territory not only for expansion but for the purpose of encouraging and controlling the development of governmental services therein.

The conception of the city has changed. We no longer think of a city as a compactly built-up area with a heavy population per acre. The modern city is a region with one or more urban centers and a whole galaxy of industrial and residential satellites. The increased mobility of man has made necessary a broader conception of the city including adequate recreational and agricultural areas interspersed among the more intensive settlements along the main lines of transportation.

METROPOLITAN AREAS

The size of metropolitan areas, running to the county limits and sometimes beyond, and the great diversity of character and interest among the existing units of government within each area, have brought it to pass that several of the more striking recent proposals for city-county consolidation have been upon the so-called federated pattern. Such proposals have been forcibly urged in Pittsburgh, Boston, St. Louis, Los Angeles, the communities on the eastern side of San Francisco Bay, and several other situations. These proposals call for retaining in existence the present units of government for some purpose while a central consolidated city and county government for some purposes while a central interest to all. It is impossible to predict for consolidations of this type the results in the way of economy achieved in San Francisco and St. Louis. They retain too much governmental overhead for that. They do, however, provide recognition for the rights and interests of existing population groups and have been considered more feasible from the point of view of placating the spirit of local patriotism. This spirit, however, has nowhere been sufficiently placated to secure their adoption, although the prospects for success in the Pittsburgh area now seem excellent.

These federated consolidations are of course something short of complete. In a sense they amount to little more than endowing the present county gov-

ernment with additional powers and a more modern administrative set-up. It is now coming to be believed that if county government can be reformed so that the public would feel some confidence in seeing new functions assigned to it, those metropolitan problems that are most pressing could be solved without revolutionary changes in governmental structure by simply transferring the responsibility for their solution from the city and other local units to the county. An extension of the powers of counties and other units to contract with one another for certain services would also greatly facilitate this process. So long as county government remains an archaic monstrosity, however, no development along these lines can be expected.

We may sum up, therefore, the present situation as follows: (1) many proposals and little action; (2) among proposals the most prominently urged are federated schemes for large metropolitan counties; (3) consolidation in a compact, thickly populated area alone offers substantial economies in operation; (4) this advantage is counterbalanced by accompanying limitations on growth and on control of future development; (5) the simple and easy way toward the solution of the relationship between city and county is in a reallocation of functions in which the larger unit will perform those applicable to the area as a whole; (6) progress in this line waits upon reform in county government.

Each year the people of California spend in round numbers \$110,000,000 for an elusive commodity known as county government. This does not include the schools, which manage their own affairs, nor does it include the activities and expenditures of a multitude of special districts. The \$110,000,000 goes entirely for the ordinary

services and regulations of the 57 counties of the state. It does not even include San Francisco, which is a combined city and county and is technically classified as a city.—From "What is County Government Worth?", by L. D. Gifford, *The Tax Digest*, August, 1934.

State Control in North Carolina

A state steps into
the breach when her
counties find them-
selves unable to
carry on

PAUL W. WAGER

University of North Carolina

Two years ago, when the sources of tax revenue were drying up in North Carolina and the state was faced with a steadily mounting deficit, some timid souls urged that schools be closed, or at least that terms be shortened, until better times. In that dark hour Governor Ehringhaus came before the legislature and declared instead for full state support of an eight-months term for every child in the state. In championing such a course the Governor was simply calling for a further advance along the path which the state had been pursuing for a decade. His courage inspired confidence and the step was taken. Today, the state is definitely out of the red and its bonds are worth par in any market. More functions have been transferred from the local governments to the state in North Carolina than in any other state. Since the state is supporting these functions without ad valorem taxation property owners have received a substantial degree of tax relief. North Carolina counties have been enabled to cut their tax rates from an average of \$1.64 per one hundred dollars of assessed value in 1930 to an average of 88 cents last year. This is in spite of a reduction of 30 per cent in the assessed value of property.

STATE OPERATION OF THE PUBLIC SCHOOLS

For a number of years the state has been increasing its participation in the

cost of the public schools, both as a means of property tax reduction and as a means of equalizing educational opportunity. Ten years ago it was appropriating \$1,250,000 a year from its general fund to help defray the cost of the public schools in those counties least able to bear the burden alone. In 1925 the appropriation was increased to \$1,500,000; in 1927 to \$3,250,000; and in 1929 to \$6,500,000. That year the operating cost of schools was about \$26,000,000, the state thus bearing about one-fourth of it. This was from other sources of taxation than property, for there had been no property tax for state purposes since 1920.

As the depression deepened and property values fell, it became apparent to the legislature of 1931 that owners of property must be given still greater relief, so it provided for full state assumption of the minimum constitutional term of six months, with counties contributing only the proceeds of a tax of 15 cents on each hundred dollars of assessed value. But unfortunately this program failed to work out satisfactorily. Not only did many local districts fail to raise taxes for an extension of the term beyond the minimum of six months but the state itself accumulated a deficit of nearly \$13,000,000 in the biennium ending June 30, 1933. It was at this point that the state under Governor Ehringhaus' leadership removed the 15-cent

tax on property and at the same time assumed responsibility for the operation of the schools for eight months. To finance such a program, business, income, and franchise taxes were increased and a general sales tax was imposed. Moreover, the annual appropriation for the state-wide term of eight months was fixed at \$16,000,000 compared to \$17,500,000 for a six-months term in the preceding biennium.

It must be admitted at the outset that much of the reduction in school costs is attributable to salary reductions. Teachers are paid according to a state-wide salary schedule—the maximum salary for a class room teacher now being \$90 a month, and the minimum \$45. This is for white teachers; it is considerably less for colored teachers. A principal with twenty teachers and four years' experience gets \$175 a month. These salaries are for eight months only. Last year the average salary of a random sample of teachers in the towns and cities of the state was \$674, a reduction of 44.6 per cent over what they were receiving in 1929-30. The average salary of a group of rural teachers was \$646 compared to \$983 in 1929-30.

THE TOLL OF SALARY CUTS

No wonder we get pathetic stories from some of the teachers. The following is typical: "I do not have enough money to buy decent clothes. Am wearing old ones and they'll soon be past wearing. I need glasses but cannot afford them. I cannot eat as much as I should. I do without many meals. If I'm sick I have to teach anyway for we're docked—no sick leave at all. As for recreation, I have none—can't afford any. Occasionally I go to a movie but do without something else then. I cannot afford to buy books or magazines as I once did. I need medical treatment which I cannot take. So far (March) I have been unable to save anything to

live on this summer and have no home to which I can go."

North Carolina is not proud of these low salaries and does not intend that they remain at this low level. Moreover, there are some bright lights in the picture. Every schoolhouse has been kept open for at least eight months and every teacher has been paid in cash and in full. No teacher has been required to accept scrip or to suffer any discount.

Not all the saving has been due to salary reductions. When the state took over the schools, district lines were obliterated and new and larger districts created. The number of administrative units was reduced from 2,225 to 867, the new district lines being drawn without regard to political complexities or the distribution of taxable wealth. Last year only seven of the 867 districts imposed a district tax to supplement teachers' salaries and support a ninth month of school. This does not mean that there is no property tax levied for school purposes anywhere outside of these seven communities. The state assumed only the operating expense; the local units must continue to furnish school buildings and provide for their upkeep. They must also liquidate existing indebtedness. In many counties both of these items are cared for by county-wide levies.

The reduction in the number of administrative districts reduced the number of district trustees in approximately the same proportion and thus reduced the opportunity for petty patronage. State operation has introduced many other economies. Some of the more important items of saving are: A better grouping of children in the schools by disregarding district and county lines, with a better average load factor and a reduction in the cost of transportation. North Carolina has perhaps the most complete system of school transportation of any state, and under state super-

vision the cost has been reduced from \$2,300,000 to \$1,700,000.

THE HOME RULE QUESTION

This has not been accomplished without some sacrifice of home rule and there have been protests. Some can be traced to dislodged school officials, some to merchants and salesmen whose business has been injured, but also to parents and teachers who are genuinely distressed because the program appears to be one of "leveling down" rather than of "leveling up". The last mentioned criticism would be a just one if the present policy is not liberalized as economic conditions improve. It is true that cities which had superior school systems were reduced temporarily to a common level of mediocrity. Music teachers, librarians, nurses, teachers of vocational education were dismissed right and left. Superior teachers of long experience were reduced to a maximum of \$720 a year and the teaching load increased. The salaries of superintendents were sometimes cut 40 or 50 per cent. Most of the cities and towns which had been supplying generous supplements ceased doing so; only seven communities kept their flag of pride aloft.

But this collapse cannot be wholly attributed to the reorganization. All that the new school law required was that no further special school tax be levied without a fresh mandate from the people. No city was denied the right to vote on the proposition unless it was in default. Cities like Greensboro, Charlotte and Winston-Salem held elections and the schools lost because depression psychology prevailed. It may have been unfair to put the schools on the defensive at such a time, but it undoubtedly prevented many units from continuing to spend beyond their capacity to collect taxes. These better schools have suffered seriously; many of the best teachers have resigned; the children have been the victims of false

economy. But these conditions are not peculiar to North Carolina and are perhaps less devastating and can be more easily repaired than would have been the case had not the state entered the picture.

STATE MAINTENANCE OF ROADS

For a decade beginning in 1921, the state steadily increased the mileage of main highways taken over into the state system. In 1931 it went all the way and took over the maintenance of every mile of public road in the state, except city streets. This step was logical in two respects: it completely shifted the burden of road support from the owners of property to those who use the roads, and it produced a higher standard of maintenance at a lower cost. State maintenance results in lower cost because it permits the use of the most adaptable machinery, the best utilization of technical skill, and the employment of thousands of prisoners who would otherwise be in idleness.

When the state took over the county roads on July 1, 1931, it added about 46,000 miles of secondary roads to a state system which already had nearly 10,000 miles of primary roads. Since that time certain main-traveled roads have been shifted from the secondary to the primary system, and a small mileage has been added to the secondary system.

The first year under state maintenance the expenditures for construction and maintenance in the secondary system amounted to \$7,280,601. This figure includes \$900,000 spent in the construction of prison camps. The following year (1932-33) the corresponding expenditure was \$4,659,740, and last year it was \$4,660,429. This, it will be observed, is about \$100 per mile. The last year the counties maintained the roads they spent \$8,233,000, according to the best analysis of county expenditures that could be made. This pronounced

reduction is of course partly attributable to the lower price level which has prevailed in recent years. It is impossible to estimate how much the counties would have spent these last two years. Perhaps they would have spent even less than the state, but it is almost certain that many would have let the roads deteriorate badly.

It cannot be claimed that the state has spent all that could have been spent profitably. There are thousands of miles of dirt road that need a gravel surface; it would have been well to do such work while labor costs were low. Some has been done by the state and some by CWA labor. But it has been the policy of the state to build up a balance in the state highway fund in order that it might serve as banker for the general fund. Last year revenues exceeded expenditures by \$5,815,000. This is after \$1,000,000 had been diverted (donated) to the general fund. A large cash balance in the highway fund has enabled the state to save hundreds of thousands of dollars in interest charges and was a material factor in the successful funding of the \$13,000,000 deficit which accumulated in the general fund in the biennium ending June 30, 1933. Last year, thanks to the \$1,000,000 diverted from the highway fund, the general fund budget was balanced.

STATE TAKES OVER PRISONERS

One of the indirect benefits of state maintenance of all highways is the opportunity it affords for the wholesome and profitable employment of convict labor. The state has constructed 82 permanent prison camps to which those who are employed on the highways return each night. These camps are equipped with shower baths; the food is well-balanced; there are facilities for recreation; and there is a doctor attached to each camp. While discipline is necessary there has never been a hint of such abuses as used to prevail in the

county chain gangs. Already this season the camps have canned 147,000 cans of vegetables grown in the camp gardens. Last year the cost of maintaining a prisoner was 48.58 cents per day. This covered food, clothing, hospitalization, guarding, everything except interest on the capital equipment.

Not only have the highway prison camps practically emptied the county jails but they have recruited heavily from the state prison. As a result the last legislature consolidated the state prison and the state highway department into a highway and public works department. Whether or not this was wise, it at least permitted the omission of any further appropriation from the general fund for the state prison. At the beginning of the present month the prison population in the central prison, on the two state farms, and in the 82 camps was 7,885. Of this number about 6,000 are employed on the highways. The prison division, by charging the highway maintenance division 80 cents a day for the labor which it uses, is able to avoid a prison deficit. If convict labor is not worth 80 cents a day to the highway department, then of course it is supporting the state prison to the extent of this excess labor cost. Highway officials frankly admit that the state would not employ 6,000 free laborers to do the work which the prisoners perform, but in terms of human life, wholesome outdoor work, and good treatment it is good economy.

LOCAL GOVERNMENT COMMISSION

Another step toward centralization in North Carolina was the creation in 1931 of the local government commission. This is a state agency with supervisory powers over the debt-making and debt-paying functions of local government. No local unit may issue a note or bond without the approval of the commission. In fact, the negotiation is made by the commission. Moreover, it is the duty

of the state agency to require a local unit to levy sufficient taxes to meet its sinking fund requirements and to safeguard its sinking funds. When the commission began its labors it found many sinking funds seriously depleted and others invested in frozen mortgages. Many units have had to default or refund because their sinking fund investments could not be liquidated.

In the last three years fifty-eight counties and about 125 cities and towns of the state have defaulted on their bonds. This is a result of extravagant bond issues in the relatively prosperous years of the previous decade. One of the most important tasks of the commission in the last year or two has been to assist the local units in refunding their debts. It has already approved refunding plans in twenty-six counties, involving a total of \$6,666,700.

Another useful service performed by the agency has been the preparation of an audit contract. The use of such a contract by the counties should not only result in more comparable audits but in more uniform accounts as a foundation for the audits. It will also provide something definite for auditing

firms to bid on, and the counties should benefit from more spirited bidding.

CONCLUSION

These steps in the direction of state centralization may appear alarming to home rule enthusiasts. There is some protest in North Carolina, but in the main the transfer of functions from the county to the state is recognized as an economy which does not do serious violence to local interests. In the case of roads, the service has been improved along with the reduction in costs. In the case of the schools, sacrifices have had to be made during this period of depression which it is hoped will soon be corrected. The great desire on the part of almost everybody was a substantial reduction in property taxes and that has been achieved. If it has been achieved at the cost of some surrender of local self-government, most people seem satisfied with the exchange. Local government will continue in North Carolina; there are plenty of services for local government to perform as soon as economic conditions warrant it; it may be well that it has been relieved of some of the older functions.

The county, divided into townships, boroughs, or parishes, which contain villages, towns, and cities, is the focal unit of local government. County government is older than the nation. It is an importation, adapted from the English memorial system and brought to this country by the great English proprietors of the 17th century, notably Oglethorpe and the Calverts in the south and Penn and the Duke of York in the middle colonies. New England from the start had developed a system of local government by towns and counties, based on the English shire government but more completely popularized. So history suggests that our vaunted free governments have never been more than medieval institutions,

with their inherent recognition of privileged land-owning and governing classes greatly liberalized to meet pioneer conditions. The Declaration of Independence, with its announcement of personal equality and its limitation of government to the consent of the governed, was designed as a body blow to the ancient ideas. But so far as it affected the actual forms it was a theoretical blow only, for the old local structures remained after the colonies became states, the frontier spread westward and new states moulded themselves on the old ones.—From "Mosquito District—There She Stands!", by Edward M. Barrows, *New Outlook*, August, 1934.

A Successful County Treasurer's Office

Up-to-date business
methods and strict
enforcement of laws
important factors in
Hamilton County's
collection of taxes

HARRY A. FREIBERG

Treasurer, Hamilton County, Ohio

IN 1927, as the result of a drive for good government in Hamilton County, Ohio, in which is located Cincinnati, Mr. Samuel Ach, an experienced business man and former successful president of the board of education, was elected Treasurer. He immediately installed strictly business methods in his office and reduced the personnel from thirty-one to fourteen, and the salaries for personnel—\$79,400—were correspondingly reduced. That policy was continued by my predecessor, Mr. Friedlander, so that now it is approximately \$47,000, which includes not only the salaries of those of the auditor's staff who are interchanged with the treasurer during peak loads, but also a proportionate part of the salaries of the operators of the mechanical billing equipment used jointly by both offices. When Mr. Ach took office, he immediately abandoned the old method of writing tax bills by hand and installed manifold billing machines, which were subsequently replaced by the punch-card system now in vogue.

Fortunately for the county, Mr. Ach started in with his business regime and had it well established long before the depression set in—a factor to be well considered in explanation of the happy situation prevailing in Hamilton County in regard to tax collections.

The total amount of the 1932 duplicate billed (covering the 1933 collec-

tions), consisting of current general tax, current special assessments, delinquent general tax, and delinquent special assessments, of real and public utility property taxes, amounted to \$27,232,964. Of this there was collected a total of \$21,745,803; the entire uncollected amount was \$5,487,160 or only 20.15 per cent. The current general taxes billed amounted to \$22,066,246 and there was collected on delinquent and current taxes \$20,404,112 or 92.4 per cent. In figuring the budget for 1933 it was estimated that the losses on uncollected taxes would be 7½ per cent. The collection itself showed an actual loss of only 7.53 per cent proving the estimate a remarkably close one.

In regard to personal tax, in the year 1932 the personal property taxes billed, consisting of current tangible and intangible, amounted to a total of \$5,943,313. There was collected a total sum of \$5,764,807. Of the unpaid taxes, about \$70,000 was enjoined so that actually only 2 per cent remains uncollected. Besides, a total of \$225,387 was collected on the old delinquent personal duplicate.

Now, what are the underlying causes of this remarkable showing as compared with all the other large counties of the state? And, what are the principles involved, which has enabled us to bring about this situation and maintain it during the present crisis?

ENFORCEMENT OF THE TAX LAWS

The strictest enforcement of the laws of Ohio, with respect to payment and penalties for non-payment, within the specified time—the basic principle involved here is that the law recognizes no exceptions, so that all taxpayers understand that they will be treated alike and that no favoritism will be shown. This perhaps is one of the most essential things that has been done for the past seven years and it is thoroughly understood by the taxpayers of Hamilton County. That there should be no deviation from this rule was doubtless, in the beginning, most difficult to establish, as it was especially inconvenient to those who, under the old methods, were accustomed to special privileges, or reductions in their tax bills by the intercession of someone “higher up”. The policy of no “exceptions to the rule” has certainly proved its value many times over.

100 PER CENT COÖPERATION WITH
AUDITOR'S OFFICE

In order to accomplish the maximum efficiency in collections, it is necessary to have 100 per cent coöperation with the auditor's office. This has been, and is now, the case in Hamilton County. Here, the same mechanical equipment is used in both offices. This equipment, by the way, is the very last word in the rapid tabulating of tax bills—addressing and printing them complete, with all details, so that no hand touches a bill from the time it is mechanically addressed and billed until it is placed in an envelope for mailing. So up-to-date is the system employed that at the World's Fair in Chicago, there was on display a complete replica of the set-up in Hamilton County, as a model of the most modern and efficient method of conducting a treasurer's office. By the use of this system, the treasurer's books are daily in exact balance, and a daily accurate distribution could be made if

necessary to the 106 taxing districts of the county. Besides, great savings to both offices have been effected by the coöperation of the auditor with the treasurer by the interchange of employees during collection periods.

PERSONNEL

Another very important step in the collection of taxes is that of a trained and skilled staff, particularly those who come in contact with the public. All of these have been selected for their positions through civil service. It is most important that they thoroughly understand how to handle the public, not only to give prompt and efficient service in handling tax bills, but to answer questions courteously and to aid the treasurer in advising the public of the policies of the office, the dates of expiration, the enforcement of penalties, etc. During the past seven years there have been only three changes in personnel in the treasurer's office in Hamilton County and these changes were due to the fact that the old employees could not pass the test of civil service.

PUBLICITY

Proper publicity is another necessary adjunct. Hamilton County is fortunate in having the full coöperation of the local newspapers in giving prominence to all notices regarding tax bills, last date of payment, extensions, penalties, etc. These constant reminders are of enormous help, constantly keeping the public aware of its obligations and giving it little chance to overlook them. It is highly important during collection periods to secure the greatest amount of newspaper publicity and the results of these notices are quickly apparent at the cashiers' windows.

Our latest attempt to collect delinquent real estate taxes has been fraught with remarkable success. We did not rely only upon newspapers to post the public; we sent out postal cards as reminders to every delinquent taxpayer.

calling his attention to the saving to be effected under the recent senate bill 24. This is bringing in thousands of dollars which might otherwise never have been paid. Apparently many overlook these items in the newspapers and must be reminded by special personal notice of the savings to be effected.

The method employed by the county auditor in conjunction with the treasurer to acquaint the taxpayers with the new intangible tax law was rather unique. By newspaper advertising, meetings were arranged with various civic welfare, bankers, and accountants associations, at which the many phases of the law and how it applies to each particular business were explained. Books of instructions were compiled by the auditor and treasurer and were distributed to the public. Deputies were sent to outlying districts to assist taxpayers. By this continuous propaganda, the taxpayers of Hamilton County were made to fully realize what the new intangible law expected of them and were undoubtedly more conscientious in filing proper returns than they would have been otherwise. News was spread throughout the county that a branch of the Tax Commission of Ohio would be established at the courthouse, and owners of securities were advised that a strict check-up would be made of both their income and non-productive investments. Owners of securities were, therefore, most careful to report their holdings fully in their returns. There were, however, quite a few who failed to return their taxable securities and after the auditor had made a complete check-up of the 275,000 individual owners of stock as evidenced by the lists furnished by the Ohio corporations and other corporations doing business in Ohio, the owners of these unreported stocks were cited to appear at the auditor's office and list them. If they failed to appear, their stocks were auto-

matically listed by the county auditor and a 50 per cent penalty was added for failure to make a return as authorized by law.

Furthermore, in advance of the closing of the books, we make it a practice of notifying by letter every taxpayer whose taxes are unpaid, so that he will have ample personal notice of the likelihood of his taxes becoming delinquent. This practice is also found to yield large returns. We consider this persistent and continual following up of these who might otherwise become permanently delinquent, one of the causes of our low percentage of delinquent taxes, and it surely helps to swell the total amount collected.

PENALTIES

While we in Hamilton County will be able to realize some four or five hundred thousand dollars through the recent emergency act, senate bill 24, which remits penalties on delinquent taxes, we consider that such practice, if continued, will do more harm than good. It will tend to destroy the whole tax structure. Those who have always paid taxes promptly and have in many cases borrowed money for this purpose, at a high rate of interest, are obviously going to become slack, hoping that similar relief will be granted again, so that one of the greatest incentives to pay promptly will have been removed. Frequent extensions of time for payment will inevitably have the same result. If these emergency measures are continued, the public will eventually regard the payment of taxes as a matter of small concern. I, therefore, hope that the legislature will hesitate to create new emergency laws effecting penalties. By remitting penalties, delinquencies are definitely bound to rapidly increase.

COÖPERATION OF PROSECUTOR

Certainly by far the most important aid to the treasurer in collecting delin-

quent personal taxes has been the wholehearted support given by the prosecutor for the past seven years. When Mr. Ach took office there was a tremendous amount of personal delinquency—an accumulation dating as far back as ten years. He immediately made arrangements to have assigned to him a special prosecutor, paid for out of his own budget, to assist in the collection of delinquent personal taxes. This new procedure started in 1927, and carried on by my predecessor, netted the county over \$1,250,000, representing delinquent taxes that would otherwise have remained unpaid. The employment of special outside counsel for the purpose of collecting delinquent taxes is utterly futile. It seems that the signature of the prosecutor or one of his assistants on a letter requesting the payment of delinquent taxes has quite a psychological effect that could not be produced by the signature of an ordinary attorney-at-law. It is much more effective than any other collection agency, as the backing of the prosecutor in the demand for payment puts "teeth in it".

A year has elapsed since the last follow-up has been made. However, we are again attacking the delinquent list. For convenience delinquent taxpayers are carried in separate ledgers. This follow-up is conducted by one of the stenographers in the office assigned for that purpose. When she is compelled to resort to the final notice, she simply uses a regular form letter on the prosecutor's letter head, with a rubber stamp signature of one of his assistants. Starting only a few months ago, we have already collected \$110,000 (one check alone just recently received amounted to over \$5,000), with practically no collection expense involved except the young lady's time.

To sum up: The success that has been achieved in the treasurer's office in Hamilton County is largely due to

strict and impartial enforcement of the law, complete coöperation of the auditor's office, skilled personnel selected through the merit system, ample publicity, enforcement of all penalties as provided by the law, and the full support of the prosecutor's office, all of which are necessary and implies a good deal more than the mere sending out of a tax bill by the treasurer. It should be said, however, that the people of Hamilton County, being largely native-born, have always been of a conservative and saving nature and eager to meet their obligations. They think highly of their homes and want to keep them free of debt. Furthermore, and not the least, they have shown their approval of and faith in the good government they have been enjoying, by the prompt manner in which they have been meeting their tax responsibilities. For these reasons and in spite of the depression, Hamilton County has a balanced budget and funds in the treasury, and has never issued scrip or had to resort to refunding of any kind. Its bonds are eagerly sought after and sell well above par, so that unquestionably the business methods used in county functions have yielded large dividends besides efficient service.

Since this article was prepared the Ohio legislature has passed an emergency measure allowing taxpayers to pay taxes for 1932 and previous years without penalty or interest. If the current 1933 taxes were paid in full, an agreement could be signed to pay the delinquent taxes over a period of six years.

Realizing this was an opportunity to make a special drive for delinquent taxes, the treasurer designed a delinquent bill which was mailed to each of the twenty-five thousand delinquent taxpayers in Hamilton County, accompanied by a personal letter pointing

out the special privileges granted under this emergency act and also the consequences that might happen as a result of a bill authorizing the county treasurer to act as receiver for such properties bearing an income of \$2,000.00 or more per annum.

This was the first time in the history of Hamilton County, and possibly in the state, that *certified delinquent* tax bills were mailed. The results of mailing these certified delinquent bills were astounding. Four or five hundred calls per day were received at the treas-

urer's office and many taxpayers availed themselves of this special privilege of paying without penalty.

Due to the mailing of these special delinquent tax bills, the June collection, just completed, shows remarkable results. This collection, which is by far the best we have had in this county for quite a few years, amounts to over a hundred per cent of the current taxes and assessments billed.

EDITOR'S NOTE: This article is from an address delivered by Mr. Freiberg before the County Treasurers Association of Ohio in November 1933.

COUNTY HOME RULE

(Continued from Page 519)

generally are bound up by a multitude of legislative restrictions. Particularly is this true in the matter of tax rates and budget making. County commissioners should have far more freedom in the matter of budgeting the resources of their counties—indeed, local budgeting becomes a farce in the light of restrictions that exist in many states. And the governing board should have far more power in the matter of controlling the business and clerical activities of the county. A number of the present familiar offices—clerk, treasurer, recorder, etc.—might well be consolidated into one business office, including purchase, and the governing board should appoint and control whoever was put in charge.

Any intimation that there ought to be variation in the powers of counties and county officers would seem on its face to be unreasonable. There is need for removing restrictions on power and a rewriting of the grants of power, but no need for discrimination. Home rule implies an opportunity for some counties

to escape something. We know what it is they want to escape—but why not amend the laws so that no county need want a special avenue of escape?

It will be found that what many advocates of county home rule are really thinking about is a chance to introduce the manager plan into metropolitan counties. There is a great inclination to advocate for county government measures that seem good for city government. But their problems are not the same, and cannot satisfactorily be dealt with in the same way. A city has a far stronger claim to devices for local self government than does a county. More and more counties are becoming administrative areas for the state. Even as this comes to pass counties need not surrender a very wholesome measure of autonomy. But the organization and functions of the county must be considered in the light of this very important fact rather than in the light of the needs of a few great cities. The cities should be released from their many strictures; but that consideration need not lead to dubious reforms in the field of county government.

KIRK H. PORTER

The Financial Crisis of Counties in the State of Washington

Mounting costs and
decreasing funds
bring serious prob-
lems

JOSEPH P. HARRIS

University of Washington

COUNTIES, in common with other local units of government, have encountered financial difficulties during the latter years of the depression due to poor tax collections, the increased burden of relief of the unemployed and the poor, lowered assessed valuations, increased debt charges, and the inability of the local governments to control their financial operations and to adjust expenditures to reduced incomes. The situation in the state of Washington is probably very similar to that in other states, but the adoption of a new and more stringent tax-limitation measure, which went into effect this year, has accentuated the problem.

An analysis of the financial status of the thirty-nine counties of Washington indicates that the situation is by no means uniform throughout the state. About half of the counties—seventeen out of thirty-nine—are in very good condition. These counties are practically free of debt in any form, usually having an indebtedness of less than 1 per cent of the assessed valuation. A number have no debt whatever. Practically all of this group are on a cash basis and have adjusted to reduced tax collections by reducing expenditures and by increasing the tax levy. All of these counties with a single exception are agricultural counties, having high per capita assessed valuations, low tax rates, and little increase in the cost of public welfare. These counties are located princi-

pally in the wheat growing section of eastern Washington, where large farms prevail.

A second group of counties is facing financial difficulties, and was forced this year to reduce welfare and other county expenditures very sharply. The counties in this group are largely urban, or semi-urban. Their assessed valuation per capita is average or low. Within recent years their cost of welfare activities has increased greatly, and the county commissioners have voted emergency appropriations to feed the unemployed. These counties without exception are months behind in the payment of county warrants, which are subject to discount. Several have considerable indebtedness, but many in the group have only a small amount of bonded debt. Included in this group are the urban counties on Puget Sound, some of the lumbering counties, and the two largest counties in the fruit growing section in the central part of the state.

A third group, containing only four counties, is facing a serious financial crisis. These counties—Grays Harbor, Pierce, Pacific, and Thurston—have an unusually large indebtedness, low assessed valuation, average or poor tax collections, and have made very large welfare expenditures within the last several years. Three of these counties are strictly lumbering counties, where the shutting down of the mills for several years has produced serious local eco-

nomic conditions. These counties have large amounts of outstanding unpaid warrants. This year they were forced to reduce their budgets to about 50 per cent of what they were several years ago. In one county the welfare activities were practically eliminated, the state being asked to take over the county hospital, health department, poor farm, and other charitable activities.

THE TEN MILL TAX LIMIT

This, briefly, is the financial outlook of the counties of the state. The assessed valuations have been reduced to approximately 79 per cent of those in 1930, with further reduction in sight for this year. The tax limitation law which went into effect this year limits the county levy to 10 mills for all purposes other than debt charges, upon an assessed valuation legally fixed at 50 per cent of the true value. One third of the counties are not affected by the law. These have high per capita assessed valuations and are able to carry on the county functions easily within the 10-mill limit. Other counties with low assessed valuations have found it very difficult to make the required reductions. Four counties voted upon a special levy for welfare purposes in 1933, but in three the special levy was defeated. Many of the counties which have been forced to retrench have reduced the county school fund, have stopped making replacements and repairs, and have

laid off some county employees. In all of these counties the welfare items have been reduced very materially, as much as 70 per cent in several counties, and 50 per cent in many counties.

TREND OF COUNTY EXPENDITURES

A more detailed examination of certain aspects of county finances is now in order. We may examine first the trend of county expenditures during the last ten years. Unfortunately, the county financial records are somewhat confused with those of other local units of government, and, curiously enough, one may not ascertain from the county auditors' reports the total expenditure for county government in any particular year. The nearest approach is the total tax collections of the counties, and also current expense disbursements. Table 1 shows the tax collections and expenditures of the current expense fund of all counties in the state.

It is significant that the tax collections of all counties (except Yakima) were a million dollars less in 1932 than in 1923; if King County (in which the city of Seattle is located) is omitted, the decrease was from \$11,203,161 to \$8,890,282. The decline in 1933 and 1934 will be even more marked. By way of reservation, it may be noted that the counties spent more than they collected in taxes in 1932, as evidenced by the large amount of outstanding warrants at the end of the year. Also

TABLE 1
TAX COLLECTION¹

Year	All Counties	King County	All Counties Except King
1923	\$14,944,508	\$3,741,347	\$11,203,161
1932	13,767,093	4,876,811	8,890,282

DISBURSEMENTS OF THE CURRENT EXPENSE FUND

1923	\$ 8,087,000	\$1,816,000	\$6,271,000
1932	13,304,000	4,925,000	8,878,000
1933	8,970,000	2,674,000	6,296,000

DISBURSEMENTS OF THE CURRENT EXPENSE FUND OMITTING WELFARE

1923	\$6,959,000	\$1,623,000	\$5,336,000
1932	8,129,000	2,804,000	5,324,000
1933	5,420,000	1,622,000	3,798,000

¹All counties except Yakima, for which data are not available.

the counties received a larger subsidy from the state for highway purposes in the latter year.

The current expense fund is a better indication of the trend of expenditures than the tax collections. It covers all the county expenditures, except the school fund, highways, and a few small funds. The expenditures of this fund for all counties except King, and omitting welfare, were almost identical in 1923 and 1932. In King County the expenditures increased very substantially during the ten-year period, due principally to the erection of a large county hospital, the building of an airport, and to other new activities taken over by the county. The expenditures of 1933 show a very substantial reduction from those of 1932, and 1934 will show an even greater reduction. The per capita expenditure for county government in 1933, exclusive of highways and welfare activities, shows a marked decline from that of ten years earlier. The expenditures for 1934 will show even greater reductions.

COST OF PUBLIC WELFARE

The reductions which the counties have made in the ordinary governmental activities have been offset by the increased expenditures for poor relief. The trend of county expenditures for welfare activities, over a ten-year period, including indigent relief, county farm, soldiers' relief, and mothers' pensions, but not including hospitals and health, is indicated in Table 2.

It will be noted that the welfare costs of the counties increased from slightly over a million dollars annually in 1923 to over two million dollars in 1930. The greatest increases were in the urban counties, as would be expected, but all

of the counties practically without exception showed increases. If hospital and health expenditures were included in the table, the increase would be even more pronounced. The large increase in 1932 was due largely to unemployed relief, the urban counties receiving loans from the federal government. The county expenditures for welfare in 1933, however, indicated a substantial decline over the high mark of 1932.

Detailed studies show that the expenditures for welfare by private charities have remained about stationary during the depression, while the public expenditures have increased enormously. In King County the private charities spent \$499,799 for relief purposes in 1932, or 10.6 per cent of the total expenditure of \$4,724,560 by all agencies, public and private. While the trend is undoubtedly toward more public support of poor relief, it is important to note the financial limitations which local governments are facing, and the very great reductions which they have made in their welfare items. Unless the financial ability of the urban counties, which have the greatest relief problems, can be improved, it seems quite unlikely that they will be able to carry on public welfare on the scale which will be required during the years to come. If welfare work is to continue to be largely publicly supported, in all probability the state or federal government, or both, will have to come to the aid of the counties in the older welfare activities as well as in unemployment relief.

COUNTY INDEBTEDNESS

The indebtedness situation of the counties in the state of Washington is very good. The constitutional debt limit—5 per cent of the assessed valua-

TABLE 2
COUNTY WELFARE EXPENDITURES

1923	\$1,270,095	1927	\$1,518,596	1930	\$2,202,489
1924	1,211,938	1928	1,721,987	1931	2,585,262
1925	1,358,493	1929	1,821,128	1932	7,333,480
1926	1,466,021				

tion—was \$50,315,525 in 1933, while the total bonded debt of the thirty-nine counties was \$23,998,661. It should be noted that since the ratio of assessed value to actual value is very low in the state, the debt limit is correspondingly low. Seven counties had no bonded debt whatever; in twelve other counties the bonded debt was less than 1 per cent of the assessed valuation; in eleven counties it was between 1 and 2 per cent; in five counties between 2 and 3 per cent; and in four counties over 3 per cent. The per capita net bonded debt is indicated in the following table:

TABLE 3

Per Capita Net Bonded Indebtedness	Number of Counties
No bonded debt	9
Under \$5.00	10
\$5.01-\$10.00	10
\$10.01-\$15.00	4
Over \$15.00	6

Five counties in the state are heavily burdened with debt, and all of them have very large welfare problems. Several of these counties will be forced to refund debt obligations falling due, or default upon them within a few years.

While the county indebtedness, except in a few counties, is remarkably small, it should be borne in mind that other local units of government may be heavily indebted. In some of the rural counties having no debt whatever there are irrigation districts with large indebtedness; also the school districts and municipalities have substantial debts.

The warrant indebtedness, or outstanding unpaid warrants, is a vexing problem in about half of the counties. Counties and other local units of government draw warrants without regard to whether there is money in the treasury to pay them; these remain outstanding, drawing interest, until paid. A number of counties are about a year or more behind in their payment of warrants. At the close of 1933 the

total warrants outstanding of all counties in the state totaled \$9,040,856, or .9 per cent of the assessed valuation. At the present rate of tax collection, the 10-mill or 1 per cent levy to which the county is limited, would fail to bring in enough in one year to pay these outstanding warrants. In several counties the situation is much worse than the average for the state. The warrants are subject to discount of varying amounts, and the prevailing practice is unsound. The significant thing has been the inability of the counties to live within their incomes. The excessive amount of outstanding warrants has been caused mainly by emergency appropriations to finance unemployment relief and work relief projects, and is therefore readily understandable. A more fundamental consideration, however, is the fact that the county has little financial control over its departments. They may go ahead and expend their appropriations, regardless of poor tax collections or increased relief problems.

There is no prospect in sight for the retirement of the outstanding warrants, except in a few counties. The tax collections are improving, and substantial sums of delinquent taxes are coming in, but not enough to do more than to halt the increase of outstanding warrants. Under the state law the county levy may not exceed the budgetary requirements, and consequently most of the counties go ahead and spend on the assumption that current taxes will be collected 100 per cent. Under this system any improvement in delinquent tax collections is taken up by shortage in current collections.

A few counties have funded their outstanding warrants, and at excessive interest rates. In some instances these warrants, representing current expenditures, have been funded over a period of twenty years, and at interest rates as high as six per cent. This serves to

take care of the problem temporarily, but until the counties are able to exercise financial control, and prevent the accumulation of outstanding warrants again, refunding does not solve the problem. Other counties will doubtless issue bonds to take up their warrants within the next few years as the bond market improves, and it is not unlikely that part of the cost of the present depression will be paid for during later depressions.

ASSESSED VALUATIONS

Since the county is supported almost exclusively by the general property tax, except for highway expenditures, its financial ability depends upon its assessed valuation in relation to its population and its requirements. A study of the per capita assessed valuation in 1933 of the several counties indicates an extremely wide variation.

TABLE 4

Per Capita Assessed Valuation	Number of Counties
Under \$600	17
601-800	8
801-1,000	4
1,001-1,200	1
1,201-1,400	4
1,401-1,800	4
Over 1,800	1

The counties having the greatest financial problems at present are, almost without exception, those with the lowest per capita assessed valuations. Many of them are urban or lumbering counties with large unemployment and poor relief problems. Several have a large indebtedness, which has rapidly increased within the last several years.

On the other hand, the counties with high assessed valuations per capita are having little financial difficulty. The tax rate is low in these counties, though the per capita cost of county government is generally high. They have not been affected by the tax limitation law, and, since most of them are rural counties, they have not faced the heavy

welfare problems which urban counties have encountered.

The wide variation of the per capita assessed valuations, ranging from Kitsap County with \$364, to Adams County with \$1,932, indicates the great difference between the financial abilities of the counties, and shows how unevenly the uniform tax limitation measure affects them. A dozen counties are not affected at all, while another dozen counties are forced to make drastic reductions. The trend of assessed valuations over a period of ten years is given in the following table.

TABLE 5

Year	Assessed Valuation	Per cent of 1930 Assessed Valuation
1924	\$1,149,018,339	90.79
1925	1,156,413,000	91.46
1926	1,205,495,065	95.34
1927	1,213,974,060	96.01
1928	1,247,155,686	98.63
1929	1,253,179,936	99.11
1930	1,264,438,654	100.00
1931	1,250,039,549	98.86
1932	1,056,281,337	83.54
1933	1,006,310,000	79.42

It is anticipated that the assessed valuations of 1934 will be substantially lower than those of 1933, owing to the fact that a general reassessment will be made this year. The plight of a number of counties will be substantially worse in 1935 than it is at present.

RETRENCHMENT UNDER THE TAX LIMIT LAW

An analysis of the 1934 budgets of more than half of the thirty-nine counties indicates the extent to which the counties have been affected by the tax limit law. In the counties not affected by the tax limit law only slight reductions, or none at all, were made, though it must be pointed out that many of them had already reduced their expenditures during previous years. These are the counties with high per capita assessed valuations, and correspondingly low tax rates. Another group of coun-

ties has been forced to make retrenchments to come under the tax limitation measure, but not enough to cause any serious trouble. A third group of counties has been forced to make drastic reductions in the county budget to come within the 10-mill limit. These counties have reduced most drastically their welfare budgets. In King and Lewis Counties, for example, welfare items were reduced to 30 per cent of the estimates. The county school fund was reduced by state law, but in many counties affected by the 10-mill limit, this fund was further reduced by as much as 50 per cent. The county departments were reduced also, but to a lesser extent.

While reductions in these items were being made, the debt charges, which are not subject to control from year to year, have increased, and the highway budgets have been materially increased. An analysis of the 1934 budget of Pierce County, one of the hardest hit counties in the state, shows that the county departments, such as sheriff, auditor, treasurer, and assessor, have been cut to 50 per cent of their budgets of a few years ago. The welfare budgets have been reduced by even greater amounts. The older, administrative, functions of the county, including the elective county offices, the conduct of elections, etc., amount to only 10 per cent of the total budget. The current operations of the county, exclusive of highways, amount to 34.6 per cent of the budget; the debt charges amount to 33.8 per cent; while the highway and river improvement items total 31.6 per cent. The highway expenditures were increased 21 per cent while the other activities of the county are being drastically curtailed. This is due to the fact that the highways are financed largely through grants from the state of a part of the receipts of the gasoline tax. The highway district tax levy is unaffected by the tax limitation law.

Pierce County is quite typical of the

general situation in the state. The significant factors are: (1) the small amount of the total county budget expended upon the older county offices; (2) the reductions in education, welfare, and county offices; (3) the increase in debt charges and highways; and (4) the large and increasing part of the budget devoted to highways. In many rural counties the highway budget greatly exceeds the total for all other purposes. One rural county with less than 4,000 population has a current expense budget of \$45,000, a county school fund of \$6,470, and a highway budget of \$88,000. Another county of about 6,000 population is spending \$221,000 for highways, while the total county budget for all other purposes is only \$90,000.

A number of the counties will face a more serious situation in 1935 than they have this year. As would be expected, several counties resorted to unsound financial practices to postpone the day of reckoning. In several counties the item of miscellaneous receipts was deliberately padded so that further reductions in the budgets would not have to be made. An individual analysis, including a chart showing the financial condition of each of the thirty-nine counties, has been prepared. The following summary of King County, the most populous county of the state, is given by way of illustration.

THE FINANCIAL STATUS OF KING COUNTY

The population of the county in 1930 was 463,512, of which 365,583 resided in the city of Seattle. Slightly over 80 per cent of the total population is urban, residing in cities of 2,500 and over. The unemployed case load of the county during the last year, ending July 1, 1934, was slightly less than the average of the entire state. Eight counties had a higher rate of unemployment relief, though most of these counties, it may be noted, were in lumbering sections.

The assessed valuation of the county reached its peak in 1931, with a total of \$384,886,068, or about 20 per cent greater than that of 1923. It dropped to \$331,148,278 in 1932 and still further in 1933. On January 1, 1934, the county had \$12,917,875 outstanding bonded debt, and \$4,789,180 warrant debt, or a total of \$17,707,055, as compared with a debt limit of \$15,761,396.² The net debt of the county during the last ten years is given below:

TABLE 6

Year	Net Debt	Per Capita Net Debt
1923	\$ 7,655,022	\$18.60
1924	6,933,988	16.55
1925	7,059,553	16.53
1926	6,892,591	15.88
1927	5,194,223	11.77
1928	5,343,506	11.91
1929	6,634,121	14.54
1930	10,473,123	22.59
1931	12,275,999	26.06
1932	15,210,776	31.79
1933	15,601,786	33.65

It will be noticed that during the years from 1923 to 1927 the county debt was being reduced, but from 1927 to 1933, it was increased from \$5,194,223 to \$15,601,786. A new county hospital, court house, and airport are responsible for most of the increase, but regardless of the purpose of the debts, the county is now approximately up to its constitutional limit. The large amount of outstanding, unpaid warrants constitutes the most difficult financial problem of the county. The amount is remaining about stationary, with no prospect of a material reduction.

The county budget for 1934 shows drastic curtailments in the welfare items over the estimates submitted by the departments, substantial reductions in the county administrative departments, and an increase in the debt charges, the latter due principally to the large levy of \$1,420,000 for emergency expendi-

tures already made. The highway budget of the county was substantially increased.

The trend in the cost of the older functions of county government, as represented by the offices of county auditor, sheriff, assessor, and clerk, is given in the following table:

TABLE 7

Year	Total Expenditure	Per Capita Cost
1923	\$424,891	\$1.03
1924	442,276	1.05
1925	456,748	1.07
1926	482,830	1.11
1927	501,085	1.13
1928	530,320	1.18
1929	557,367	1.22
1930	592,528	1.27
1931	593,626	1.26
1932	532,279	1.11
1933	478,480	1.03
1934	378,160 (appropriated)	.76

Ten years ago the county welfare expenditures, not including hospitals and health, amounted to approximately \$250,000 a year, a very small item in the total county budget. By 1931 they had more than doubled, and in 1932 the county spent \$3,275,052 for unemployment relief and the older forms of poor relief. This was considerably reduced in 1933 when the state took over unemployed relief, and will be further reduced in 1934. The county hospital expenditures, which amounted to about \$125,000 a year ten years ago, jumped enormously in 1931 with the completion of a new county hospital, and now total over \$600,000 annually.

Despite the fact that King County has great wealth, it is in a bad financial condition, owing to the large expenditures within recent years for welfare activities, the heavy debt which the county has recently incurred, and the inability of the county to exercise any effective financial control over its departments. The county commissioners have within recent years gone ahead and voted emergency expenditures in the

²The county has not exceeded its legal debt limit, however, when cash on hand and other offsets are taken into account.

face of large outstanding unpaid county warrants, and poor tax collections. The establishment of an effective financial control and of substantial economies in county administration is essential.

MOVEMENT FOR REFORM

The financial difficulties of the counties with urban populations, as well as the general dissatisfaction and distrust of county government, has led to a considerable movement for abolition or reform of the counties. Probably the financial stringency of the counties will bring this sentiment to a head and produce some practical results. In Washington, as elsewhere, people are saying that the county is obsolete, too small, and politically governed. Two principal obstacles stand in the way of reform: first, the state constitution provides for uniform county government, and enumerates most of the present elective county officers; second, in many rural sections the people are fairly well satisfied with the county. A constitutional amendment to repeal the sections in the constitution which hamper reform, to specifically authorize optional forms of government, and to give counties home rule was sponsored at the regular and special legislative sessions of 1933 by the Seattle Municipal League, but failed of passage.³ Another bill provided for a special commission to study county government, but it also failed to pass.

The financial improvements most urgently needed to put county governments upon a sound basis are as follows:

1. A sound county budget law, including effective budgetary control vested in a single, responsible, chief financial officer.

2. Discontinuance as early as possible of the practice of issuing warrants without money on hand with which to pay them. It is bad policy to force the county employees and vendors to become creditors to the county.

3. The adoption of a modern assessment system.

4. The creation of a single department of finance in each county of the state, combining the present work of the auditor, treasurer, and assessor.

5. The installation of a modern accounting and record system, which is necessary for financial control. The present system of accounts shows only the cash receipts and disbursements.

A more complete reorganization, however, is called for, particularly in the populous counties which are having financial difficulties. It is very probable that, sooner or later, the highway function will be transferred to the state. The welfare activities will probably come under state support and supervision, as an outgrowth of the present experience. The general property tax is not only poorly suited to support poor relief, but is not adequate to do so during the next few years under the present restrictive laws.

There is a strong movement in the state for even more sweeping changes in county government, looking toward complete abolition of the counties and the formation of a small number of administrative districts under the state, or the reduction of the number of counties from thirty-nine at present to a dozen or even less. The movement here, as elsewhere, is based upon the belief that the county is out-moded as a unit for local government, that the counties are too small in area and population for modern conditions. Table 8, classifying counties upon the basis of 1930 population, indicates that many counties are too small to constitute a satisfactory administrative unit.

³Governor Martin has recently appointed a special constitutional revision commission to prepare the necessary amendments for a reorganization of state and local government. The state planning council has created a number of subcommittees to study various problems of local government and finance.

TABLE 8

Population	Number of Counties
Less than 5,000	5
5,001-10,000	10
10,001-25,000	8
25,001-50,000	9
50,001-100,000	4
Over 100,000	3

It is significant that fifteen counties have less than 10,000 population. Fourteen counties have no city of 2,500 or over. Many of these counties have declined in population since 1910 and 1920.

A study of the per capita cost of county government reveals, as would be expected, that the smallest counties, as a general rule, have the highest costs. In fact, the statistics indicate very strikingly that per capita cost is inversely proportional to the population of the county. The total cost of county government is not available from the county financial records, and if available would not be a satisfactory criterion for comparison, since the larger counties perform many services not performed by the smaller ones. Table 9 compares the cost of county governments by two items: 1933 current expense tax levy for collection in 1934, and the administrative cost index for 1933. These items require explanation. The current expense fund is the general operating fund of the county, except for highways and a few minor activities such as veterans' relief and indigent

blind, which have independent funds. The current expense fund is supported largely by the general property levy and fees received by the county offices. The levy for 1934 is taken instead of the actual expenditures of 1933, in order to show the comparison after the ten mill general property tax levy went into effect. The administrative cost index shows the actual expenditures for four county offices which exist throughout the state (in several of the smaller counties two of these offices are nominally consolidated, but actually conducted as separate offices), with practically identical functions in every county, namely: assessor, auditor, clerk and sheriff. These four offices constitute a fair index of the administrative costs of the counties.

It will be noted that the average per capita current expense levy of 1934 was not only highest in the group of counties having the smallest populations, but was actually more than double (245 per cent) the average levy in ten most populous counties, and more than twice as high as the state average. The comparison of administrative costs of 1933 as indicated by four offices (sheriff, auditor, clerk, and assessor) was equally striking, with the cost in the quartile of counties with smallest population averaging 173 per cent higher than that in the quartile of most populous counties, and 130 per cent higher than the state average.

This analysis of the cost of county

TABLE 9

County Group	1930 Population	Current expense tax levy, 1933	Index to administra- tive costs, 1933	Per capita current expense levy, 1934	Per capita administra- tive cost index, 1933
10 most populous counties	1,168,703	\$3,984,967	\$1,181,177	\$3.41	\$1.01
10 next most popu- lous counties	257,794	1,295,934	371,283	5.03	1.44
9 next most popu- lous counties	89,443	640,807	179,115	7.16	2.00
10 least populous counties	47,456	394,602	129,915	8.32	2.74
39 counties	1,563,396	6,316,310	1,861,490	4.04	1.19

government in relation to the population affords convincing proof of the need for larger counties, or some sort of reorganization which will bring about the economies of larger units. If a similar study could be made of the quality of services rendered by the counties, it would probably show also that the smallest counties are securing the lowest grade services, and that the quality of service is directly proportional to population, regardless of per capita costs. If a study were made of highway costs, the least populous counties would show a tremendously higher per capita cost than the more populous counties, but this would not be significant, since many of the least populous counties have relatively large highway mileage to maintain.

While the case for consolidation or abolition of counties would seem to be particularly strong, it is the judgment of the writer that the solution of the problem does not lie in either direction. Although the small counties have extraordinarily high per capita costs, these counties, as a general rule, also have very high per capita assessed valuations and consequently are not facing any particular financial stringency, as is the case of the more populous counties with much lower per capita costs. There is furthermore very little local criticism of the county officers in the smaller counties; they are known to almost everyone in the county, and are generally regarded as honest and capable. The smaller counties, because of

this factor of personal acquaintance, are able to elect satisfactory officers, which is not true of the metropolitan counties. The greatest criticism of county government is to be found in the most populous counties, which now have the lowest per capita costs.

These considerations, coupled with the vested interests built up in connection with the county seats, will probably make it impossible to abolish or to consolidate counties. In the judgment of the writer, the improvement of county government will probably come in the following directions: (1) improvements of financial organization and procedure outlined above; (2) a gradual shifting of county functions to the state, particularly those functions involving large costs and necessitating larger units for economical and satisfactory operation; (3) the reorganization of county government, particularly in the more populous counties, through optional state laws or home rule, thus permitting the counties to adopt a form of government better suited to their needs.

If optional forms of county government and county home rule can be provided by state law, it is very likely that the urban counties facing financial difficulties will take advantage of these provisions and adopt a more suitable organization of county government. Unless some such step is taken, the movement for abolition of the counties and transference of their functions to the state will continue to spread.



NEWS OF THE MONTH

NOTES AND EVENTS

Edited by H. M. Olmsted

Illinois Constitutional Convention Urged.

—A committee of the City Club of Chicago has issued a report under date of September 10 strongly favoring the calling of a convention for revision of the state constitution, hardly changed since its adoption sixty-four years ago. On November 6 a state-wide vote will be taken on the question of calling the convention. The actions of the latter would, of course, be subject later to public ratification. The committee report states:

Until our state constitution is changed the citizens of Illinois must continue to suffer under our present inequitable tax laws, must continue to support an unnecessarily complex system of government, must continue to be burdened by an inflexible constitution, and must continue to find their local governments entirely subservient to the wishes of the state legislature.

*

City Manager Elections.—The election on the council-manager plan on September 12 in Mt. Vernon, New York (see page 477 of the REVIEW for September) resulted in defeat of the plan by a vote of 5,501 to 3,770. As there were about 25,000 qualified voters in this city of 61,499 population, less than 40 per cent participated, and the opposition was well organized. This is the third defeat for the city manager plan in Mt. Vernon since 1914.

On September 18, Morristown, New Jersey (population 15,197), voted on the manager plan, which lost by a vote of 1,974 to 1,720. According to the *Newark News*, "the strength of supporters of the plan surprised many who had predicted an easier time for the 'politically schooled' opponents." The movement for the referendum originated

a few months ago in the municipal affairs committee of the chamber of commerce.

On October 23 Montclair, N. J., will vote on the manager plan; on November 6 Toledo and Sidney, Ohio, Schenectady, New York, and Chicopee, Massachusetts, will take similar action; Norfolk, Nebraska, will vote on the question November 27. Portland, Oregon, may vote on a council-manager charter this fall. In Little Rock, Arkansas, petitions for a referendum on the manager plan were filed on August 29. Braintree, Massachusetts, will vote on March 4, 1935, on a council-manager charter approved by the state legislature. Cleveland, Ohio, is considering changes in the present mayor-council charter; it is not expected that the movement for a return to the council-manager plan will become active until the question of county consolidation is decided at the November election.

In June, Stockton, California, defeated by a two-to-one vote a proposal to change from the council-manager plan to a commission with an elected manager. In July, New Ulm, Minnesota (population 7,308), defeated a proposed manager plan by a vote of 930 to 902.

*

Housing Officials to Meet.—The annual meeting of the members of the National Association of Housing Officials will be held in Washington, D. C., on Saturday, October 13. There will be reports by the three European housing experts, referred to in the September REVIEW at page 478, of the impressions of their fifty-day tour of twelve cities, where they will have conferred with housing leaders from thirty communities. Representatives from various cities will report on progress and problems in their local programs. Staff heads of the federal housing division will also discuss informally the accomplishments and hopes of their division.

Cities May Build Under Federal Housing Act.—The Federal Housing Administration has announced that municipalities may take advantage of the federal housing act to make municipal improvements, provided that such municipality is authorized or empowered to enter into an obligation for such purposes, and that the other qualifications set forth in the regulations are present, but no loans can be made to exceed the maximum of \$2,000 on any one piece of property.

*

A New Charter Proposed for Norwalk, Connecticut.—The people of Norwalk, Connecticut, are now considering the adoption of a charter prepared for the municipal charter commission by the Municipal Consultant Service of the National Municipal League. This charter provides the city manager plan of government in practically the terms of the model city charter of the National Municipal League (but not including proportional representation).

The city council is to be composed of seven members, elected at large for a four-year term, four at one biennial city election and three at the next. The candidate receiving the greatest number of votes is to be the ceremonial mayor and presiding officer of the council.

Nominations for all elective city offices are to be by petition. Any ten electors of the city may propose a candidate for any office by filing such proposal with the city clerk and paying a \$15 filing fee to be returned if the proposed candidate is nominated. The city clerk is to prepare the petitions, which may be signed at his office by any qualified elector. No one may sign more petitions for any office than there are places to be filled at the ensuing election. Signatures equal to 5 per cent of the greatest number of votes cast for a candidate for the same office at the preceding election are necessary for nomination. A plurality elects.

The budget of the elected board of education must be adopted by the council before becoming effective.

A serious complication in the way of a manager charter for Norwalk was threatened by the practice in Norwalk and other Connecticut cities of having a board of estimate and apportionment. Provision has been made for such a board consisting of the mayor and

four electors to be appointed by the council on the recommendation of the manager. This board is to consider the manager's budget and recommend appropriations. The council may not appropriate more money for any purpose than is recommended unless such increased appropriation receives seven affirmative votes at a joint meeting of the council and board. It is believed that the board of estimate will not seriously interfere with the manager's responsibility to the council but will act rather as his advisory body.

Provision is made for a modern accounting and budget procedure following rather closely the provisions of the model charter. A city planning commission is set up with broad powers in respect to planning and zoning. The initiative and referendum are provided; a 10 per cent petition of the vote cast at the last city election is necessary to initiate an ordinance and a 15 per cent petition to force a referendum.

The proposed charter continues the ownership and operation of the present public utilities—including two water works and two electric plants—by various taxing districts to which they now belong, subject to their being acquired by the city by agreement with the districts. Police protection is to be given to the whole city instead of only to the older sections as at present. Garbage collection and sewer service are to be paid for by service charges. Fire protection, including hydrant rental, is to be chiefly on a special assessment basis. Spreading the cost of these services in the manner provided will permit their extension into thickly populated sections not now served. The council, on the petition of a majority in number and interest of the property owners in any area, may also create special assessment districts to pay for street lights or other public services not otherwise available.

EUGENE M. REED

COUNTY AND TOWNSHIP
GOVERNMENT

Edited by Paul W. Wager

Ohio—County Home Rule Progress.—

The county reorganization movement is progressing much more rapidly in Ohio than its supporters anticipated when a year ago they secured the adoption of the county home

rule amendment to the state constitution. Taking advantage of their new powers, all of the eight large urban counties of the state are voting this November on the election of charter commissions. These include the counties in which Cleveland, Cincinnati, Akron, Canton, Columbus, Dayton, Toledo, and Youngstown are located.

In no case thus far has it been necessary to resort to initiative petition to place the charter question on the ballot. In all cases where the issue is now before the voters the county commissioners themselves have submitted the question. In Lucas County (Toledo) the commissioners took the initiative only a few weeks after the adoption of the constitutional amendment, and in Cuyahoga County (Cleveland) they early informed the leaders of the movement that as soon as requested they would take the necessary action. In general, commissioners in urban counties have recognized the popular interest in county reform and decided that it would be poor politics to oppose the movement. In a few instances they have been outspoken advocates of reorganization. Only in Youngstown was it necessary to threaten the circulation of initiative petitions to force the commissioners to submit the proposition.

Under the procedure laid down in the Ohio amendment, where the issue has been submitted the electors will vote on the question "Shall a county charter commission be elected" and on the same ballot select the members to constitute the commission if the question carries. In all cases a representative citizens' committee has been organized to direct the campaign and present a carefully chosen slate of charter commission candidates. In Cleveland, the Regional Government Committee, which has conducted the county home rule campaign for several years, is leading the movement. In Dayton the League of Women Voters took the initiative in bringing forward the issue, and in Columbus, Toledo, and Youngstown the Chamber of Commerce played a similar role. In most cases a definite effort has been made to secure generous representation for the suburban and rural sections of the county, both in the committee sponsoring reorganization and in the slate of charter candidates. While it would, of course, be foolish to predict the results, there seem to be good

prospects of the election of charter commissions in a majority of the eight counties. In all but one of them the county home rule amendment carried last year by overwhelming majorities, in most cases by about two to one.

Thus far rural counties have shown but mild interest in the modernization of county government. However, a change of attitude appears to be going on. Last year the rural population voted about two to one against the home rule amendment, largely as a result of an active campaign waged by county and township officers and the small-town papers which depend heavily on public advertising. If the large counties make wise use of their home rule powers, progress can probably be made with county reorganization in rural counties, but it will undoubtedly be very slow.

In addition to the charter procedure, the Ohio amendment authorizes the enactment by the legislature of optional plans of county government. The preparation of this legislation was turned over by the governor to a special commission headed by Charles P. Taft, 2nd, of Cincinnati, who led the home rule fight. This commission has conducted a careful study of county reorganization problems and expects to report in the late fall. While its primary responsibility is the drafting of optional plans, it necessarily has had to face the same problems which will confront the locally-elected charter commissions, and its work should be of considerable assistance to them. However, as the large counties are proceeding by charter, the optional plans submitted by the governor's committee will be based more definitely on the needs of medium-sized and rural counties.

R. C. ATKINSON

Governor's Commission on

County Government

*

Oregon—Relief Funds Made Available for Research in County Finances.—There has been released by the SERA authorities approximately \$30,000 with which to make a detailed study of the finances of all Oregon counties and cities. The work is to be done under the direction of the Bureau of Municipal Research of the University of Oregon, Herman Kehrli, director. It is the intention of the bureau to use local county talent for the detailed fact finding, but to secure a number

of supervisors to direct and coördinate their work.

Funds have been made available from the same source for a study of tax delinquency in thirteen counties. This study, already under way, is being directed by Professor Andreesen of Oregon State College.

Drastic Tax Limitation.—A most significant event affecting the government of Oregon counties is the completion and filing of an initiative petition which places on the coming November ballot a drastic tax limitation amendment to the constitution. It is a measure which proposes to limit the general property tax rate for all purposes, except existing debt charges, to twenty mills in 1936. This limit slides downward at the rate of one mill a year until in 1941 the maximum levy cannot exceed fifteen mills on a 50 per cent true cash valuation. Of this fifteen mills the county levy may not exceed 25 per cent or 3.75 mills. This means so drastic a curtailment of county expenditures that it is very doubtful if even the statutorily imposed expenditures could be met in many counties under such a limitation. All local government agencies—city, county, and school district—will be thoroughly crippled in carrying on even the primary functions of government if this measure passes, and it stands an excellent chance of adoption. It is true that there is a clause permitting a county or city or school district to exceed this limit provided two-thirds of the voters approve an additional levy. That is a very difficult majority to attain. The measure was sponsored originally by the Portland Realty Board, and has since secured the backing of many other groups. In view of the mood of Oregon property tax payers, as indicated by the extraordinary record of delinquency this state has attained, it is very probable that the measure will be adopted. County, city, and school district officials of this state face a catastrophic situation.

CHARLES MCKINLEY

Reed College

*

Montana—Amendment to Consolidate County Offices.—In March 1933 the 23rd legislative assembly of Montana passed an act providing that there be submitted to the voters of the state an amendment to section

5, article XVI of the constitution, granting the board of county commissioners the power to consolidate county offices. This amendment will be voted upon at the coming general election in November.

If the amendment is approved, the board of county commissioners in any county may, in its discretion, consolidate any two or more of the following offices: county clerk and recorder, sheriff, treasurer, superintendent of schools, surveyor, assessor, coroner, and public administrator. The board, if it wishes to consolidate any offices, must do so six months prior to a general election held for the purpose of electing the above mentioned officers, and publish notice to this effect for a period of six weeks in a newspaper circulated generally in the county.

The proposed amendment gives the chief executive or policy-forming body of the county an opportunity to correct one of the principal weaknesses of county government as it is organized in Montana, namely, extreme departmentalization. Expenditures for county administration in Montana amounted to \$3,243,000 in 1933, a reduction of only 1.4 per cent from the year previous, while total county expenditures (county and trust and agency combined) declined 17 per cent, and expenditures for strictly county services 11 per cent. From this it would seem that perhaps county administrative expense has reached its approximate minimum under the present organization, and that before any appreciable reduction can be secured the administrative set-up must be changed. The proposed amendment to consolidate county offices is a step in the right direction although it is regrettable that it does not make certain consolidations compulsory. For example, the offices of assessor, clerk and recorder, and treasurer should be combined into one office called "finance" so that the taxing function from assessment and calculation to collection would be performed by one office.

Gallatin County Manager Movement.—

Due more to a failure to push the matter than to anything else, the requisite number of signatures required to place Gallatin County's manager petition on the ballot was not secured. The Montana law governing such matters states that petitions to be voted on at a general election must be filed not less than sixty days or more than ninety days from the time of the election. As the sponsors did not

realize this fact until it was too late, the adoption of the manager plan did not come to a vote on July 17 as was anticipated.

ROLAND R. RENNE

Montana State College

*

Texas May Amend Constitution to Permit County Consolidation.—A constitutional amendment will be voted on by the people of Texas in November which would permit the legislature under certain limitations to abolish counties and to combine two or more such units. A more questionable provision of the proposed amendment would permit the legislature to create new counties.

Meantime the county seat of Loving County, the smallest of the 254 in Texas, grows famous for its governmental facilities. A recent newspaper feature story reads in part as follows: "Mentone (the county seat of Loving County) enjoys the distinction of having the smallest courthouse and the smallest jail in the world. Its district courtroom is in the rear of a long, corrugated iron covered building, with a drug store in the front portion. The courthouse, erected in 1931 at a cost of \$3,000, houses the clerk's and sheriff's offices, with a brick vault for the county records. The jail, a one-room affair which is seldom used, is about the size of a single car garage."

ROSCOE C. MARTIN

University of Texas

*

Tennessee—TVA Will Not Coerce.—Dr. Arthur E. Morgan, Chairman of the Tennessee Valley Authority, in a recent article said: "Of course, the Tennessee Valley Authority has no control over county governments in the region except by suggestion and fact-finding. We can find the facts and say, 'Your officials are working for you less than 10 per cent of the time. You could consolidate five or ten counties into one so that those people could be working full time. If you still want to pay the taxes, you could pay them for things more vital.' If we did that, then we have done our part."

"However, our suggestions along that line already seem to be taking effect. There are strikingly different ways of approaching that problem. One approach is to say that the county is becoming an artificial and needless political unit. Another was adopted in

Ohio at the last general election, as an amendment to the state constitution. It gives counties local self-government—so that a county can change its form; it can unite with another county; it can set up a county manager government; it can absorb the city or township government; it can work out its own destiny as an independent unit. It becomes not the least, but the most important unit of local government.

"There are two solutions. In one the state imposes its government; in the other it gives the counties freedom to reorganize themselves.

"So, whether we start from home rule counties, on the one hand, or from state dictation on the other, we will gravitate to a balance at the same point."

FRANK W. PRESCOTT

University of Chattanooga

*

Missouri—Working Toward Uniform Accounts.—A real beginning has been made in the installation of uniform county records. The new system is based upon information, blanks, forms, and other records which the auditor secured from practically all counties of the state. Consequently it contains little that is new, but rather makes uniform the better systems already in use. At present a member of the auditor's staff is going from county to county to assist the officials with the new system. Having completed his work in more than half of the counties, he reports very satisfactory progress.

The state auditor has not devised a uniform annual financial statement, for it must be based upon the uniform system of accounts which is now being installed. A more serious obstacle is another law which requires entirely too many details to be published in the statement. It is hoped that this law may be repealed by the next general assembly and a more flexible one enacted. If so, the auditor should be able to devise a simple statement showing functional costs. One would then be able to secure comparable financial data and devise an intelligent economy and efficiency program for Missouri counties. Heretofore, official records, financial statements, and fiscal years have varied from county to county, making reliable comparisons impossible.

WILLIAM L. BRADSHAW

University of Missouri

Wisconsin—Zoning Proceeds in Northern Counties.

The movement towards county zoning in the state of Wisconsin is rapidly advancing. Eight northern counties now have zoning ordinances in effect. Fourteen others are in the process of drawing up such ordinances and it is expected that at least five to eight of these will carry the process through its final stages at the November meetings of the county boards of supervisors. County zoning in Wisconsin is based upon a 1923 statute which empowers the county board of any county to pass a zoning ordinance regulating the use of land for agriculture, forestry, and recreation. The ordinance may also govern the location of roads, schools, trades and industries, and the location of buildings for specified uses. The county is the natural district for zoning in this state by reason of the fact that tax delinquent lands revert to the county.

In drawing the lines of the various zones, the county board must obtain the consent of each township board as far as the ordinance affects that township. Consent to amendments must be obtained in similar manner. A 1931 amendment provides that the approval of the township board need not be secured in order to zone lands owned by the county. There have been a few instances where township boards have refused to approve restriction but this has not retarded the movement.

In 1927 Milwaukee County adopted a zoning ordinance, but this particular ordinance was to meet an urban situation. The first county zoning ordinance in this country involving rural, undeveloped land, essentially, was that enacted in Oneida County, Wisconsin, in 1933. Since that time the movement has rapidly expanded and with the enactment of ordinances in the counties where such action is now under consideration the forested regions of the state will be almost completely covered by this type of regulation.

The zoning ordinances provide for three types of districts, the forestry district, the recreation district, and the unrestricted area. The ordinances do not, following the state law, attempt to prevent the continuance of a non-conforming use of buildings, lands, or premises existing at the time the ordinance becomes effective. However, if such usage is discontinued, further use must conform to the zoning regulations.

Enforcement of the ordinances is under the

county boards. Penalties for violation include fines of from ten to two hundred dollars, or imprisonment from one day to six months until the fine and costs are paid.

A number of causes contribute to the strength of the movement. The state conservation commission has been interested in fire protection for the northern forests. Tax delinquency in these northern counties has been high and county boards are eager to lower the tax burden by doing away with the costs connected with the care of remote agricultural settlers. The state government is financially interested because of the burden of state aids and the burden of relief charges in this area, particularly as much of this land is unfitted for farming. The state departments are able to exert financial pressure on county boards, but, for the most part, full initiative has been left with the local officials and very satisfactory results have been obtained. The state College of Agriculture and the conservation commission have cooperated in the preparation of studies of these counties as to financial conditions, and forest and soil factors. Other state officials have aided with the school problem which is an important factor.

Counties now under zoning ordinances include Oneida, Vilas, Marinette, Langlade, Iron, Douglas, Sawyer, and Eau Claire. In the following counties such ordinances are in the process of formation: Oconto, Forest, Price, Ashland, Bayfield, Washburn, Burnett, Clark, Wood, Juneau, Rusk, Lincoln, Polk, and Florence.

Township Consolidation.—A statute passed by the legislature in the regular session of 1933 provides for the consolidation of adjoining townships by a referendum vote. Two or more adjoining townships in the same county may be so consolidated by a vote of two-thirds of the qualified electors voting in each of the townships concerned. The referendum must be initiated by identical petitions of the owners of two-thirds of the taxable property in each township. The results of the referendum are to be automatically carried into effect. Although this slight recognition by the legislature of the need for township consolidation is welcome enough, the majority requirements are much too difficult. So far as is known, no referendum under this law has as yet taken place.

LEE S. GREENE

University of Wisconsin

TAXATION AND GOVERNMENT

Edited by Wade S. Smith

Buffalo Launches Pay Your Taxes Campaign.—With some 20,000 taxpayers delinquent to the extent of about \$9,500,000, the city of Buffalo will conduct a Pay Your Taxes Campaign through the month of October. The campaign will be directed by the Buffalo Junior Chamber of Commerce, in coöperation with the city treasurer's department. A special committee of the Junior Chamber of Commerce has been studying the tax delinquency situation for some time.

In addition to educating the taxpayer to the necessity of paying taxes and the part played by them in securing the services he demands, the drive will publicize a recent bill passed by the city council permitting the installment payment of delinquent taxes over a period of five years. The chairman of the directing committee, Mr. Denton A. Fuller, Jr., writes:

"To date a few of us have been working on some of the larger delinquents, and also some press releases and radio appearances have called the campaign to the attention of the public. With this minor effort, before the real publicity has been inaugurated, it has been possible to show a collection in cash of over \$1,250,000; and over 1,600 of the delinquents have signed up to pay on a five year installment basis."

The campaign will begin officially October 1.

*

Rochester Collects Delinquent Taxes.—

At the close of business December 31, 1933, unpaid taxes in Rochester, New York, with delinquent special assessments added to general city taxes in prior years included, amounted to \$7,112,700. During the eight months ending September 1, slightly over \$2,000,000 in delinquent taxes were collected, and we hope to exceed three million before the end of the year.

This showing, to a certain extent, has been accomplished by the efforts of a special committee consisting of various department heads, appointed by the city manager last February. The committee meets weekly and shortly after its organization put on a drive to compel the payment of delinquent taxes on income-producing properties, such as apart-

ment houses, stores, double houses, Boston flats, etc.

Apartment houses were the first to receive the attention of the committee. A survey showed some in arrears as far back as 1926. Today, out of 259 apartment houses, not more than twenty-five are in arrears over one year, only three over two years, and none over three years. Incidentally, of the three in arrears over two years, two are making substantial monthly payments and action will be brought against the third shortly.

The results were obtained by various methods. Form letters were sent out by the committee and these were followed by other letters and telephone calls. If no attention was given to these communications, the cases were turned over to the corporation counsel's office, which proceeded to bring action either by foreclosure, supplementary proceedings, or by suit. Splendid coöperation was given by the local press, which gave plenty of publicity to the work and accomplishments of the committee and to these suits. Only two actions got beyond a tentative stage and both of these were settled by the taxpayers before actually reaching court.

The work of the tax committee was greatly aided by the action of the city council, taken last February, in reducing the rate of interest and penalties on back taxes to 6 per cent, during a period from March 1 to August 1, provided the 1934 taxes were paid in full. Another effective method employed was in contacting mortgage holders. We found that in the majority of cases, except in the case of banks or other institutions, mortgagees as a rule were very lax in checking to see if the taxes were paid. Naturally, when they learned of liens underlying their holdings they were very anxious to have the taxes cleaned up, and in many instances forced payment.

The tax cases considered each week by the committee are in the shape of statements obtained from the records in the treasurer's office, showing the owner, location, assessed valuation, and the amount of unpaid taxes against the property, and are supplied by trained workers who can, if necessary, check records in the county clerk's office for mortgages, etc.

As already stated, we attribute a large part of our success to the splendid publicity

given to our work by the local newspapers.

PAUL B. AEX, Comptroller
Rochester, N. Y.

*

New Revenues for New York City.—

As this goes to press final action is yet to be taken in providing new revenues to meet New York City's share of the relief burden during the coming year. The city must raise approximately \$50,000,000 in additional revenues. Mayor LaGuardia has signed two of the three bills enacted September 17 by the board of aldermen, with the comment that a law on the books is worth a dozen in committee. Bankers insist that more adequate taxes must be provided, however, and it is expected that additional measures will be adopted after further negotiations.

The bills signed by the mayor provide for a net income tax of 15 per cent of the federal tax on incomes earned in the city in 1934, and for a gross receipts tax of one-tenth of one per cent—one-fifth of the previously proposed levy—for businesses of over \$15,000 annually. The municipal lottery plan appears to have been definitely abandoned. The two new revenues are estimated to provide not more than \$20,000,000.

*

The city council in Grand Rapids answered a proposal by the Real Estate Board that there be a 90-day tax penalty holiday by offering a compromise interest rate of 5 per cent on delinquent taxes paid up by December 1.

*

Scranton, Pa., is reported to be considering taking recourse to a state law permitting the attachment of rents paid to landowners who are delinquent in payment of their taxes.

*

The drought may increase tax delinquency in Minnesota this year, thinks the Minnesota Taxpayers Association.

*

In a recent decision the Norfolk County Circuit Court upheld an amendment to the charter of the city of South Norfolk, Virginia, providing that salaries of tax delinquent city employees be withheld and applied to payment of the back taxes.

*

The town of Greenburgh, N. Y., has collected over half of its delinquent 1933 taxes,

it is learned. Over 70 per cent of the 1934 levy had been collected, also, by the end of August. Town officials have been industriously contacting delinquents, providing plenty of publicity, and taking legal action when necessary.

*

In Alabama a movement is afoot to have the federal government reimburse Lawrence and Winston Counties for taxes lost through the purchase by the government of extensive land areas for flood control, power and navigation development, and forestation. Though the counties will receive 25 per cent of the receipts from the sale of timber, no income is received at present.

*

Bids on some \$4,688,000 par value municipal bonds, advanced by cities as security for Public Works Administration project allotments, were received by the Reconstruction Finance Corporation on September 12. Of the twenty issues involved, seventeen were sought at prices above par. The total premium was about \$92,000, the bonds bearing 4 per cent interest coupons.

.....
PROPORTIONAL REPRESENTATION
.....

Edited by George H. Hallett, Jr.

Toledo Votes in November.—Submission of Toledo's city manager P.R. charter at the November election is now assured. Sufficient signatures have been filed and the city council has taken the necessary action to have the amendment put on the ballot.

There is also assurance that for the first time in Toledo's history the issue will not be clouded by the submission of an alternate charter. It will not be possible for the opposition to submit an alternative plan at this late date. The vote, therefore, will be a clear-cut decision for or against the city manager charter with the council elected at large by proportional representation.

The proposed amendment appears to have by far the best chance of adoption of the city manager proposals that have been submitted to vote in Toledo. There is no newspaper opposition, all three papers having committed themselves as favorable to the plan. There is, however, a prospect of active oppo-

sition to the proposal from several organized groups, all of whom base their antagonism on their dislike of the method of election. One of these groups is the Central Labor Union which recently adopted the recommendation of a committee whose chairman has constantly opposed P.R. for several years.¹ Opposition is developing also in East Toledo and in the two Polish districts where narrow sectionalism has produced a desire for retention of the ward system of election. The Republican organization will probably conduct an under-cover campaign against the amendment, but it is unlikely to oppose it openly.

An active campaign is to be conducted for the amendment by a men's organization and a women's organization, modeled after the Cincinnati campaign.

WENDELL F. JOHNSON

Toledo

On the same day that Toledo votes on its P.R. city manager charter, Lucas County, which includes it, will vote on the question, "Shall a county charter commission be chosen?" The question naturally arises whether, if both proposals carry, the county will follow the city's lead in the construction of its charter, as recommended in the specifications for a model form of county government of the National Municipal League, and gain the distinction of being the first P.R. manager county in the United States.

City Manager Hopkins on P.R. in Cleveland.—Prior to my election as city manager, I had no special knowledge of proportional representation and had no share in securing its introduction in the city of Cleveland. But my actual experience with that system of elections clearly indicated that it produced a great improvement in the quality of the council of the city of Cleveland.

I feel sure that no person familiar with the make-up of city councils in the city of Cleveland prior to and subsequent to the time it was in use would dissent from any one of the following propositions:

¹This is an unusual position for organized labor to take. Ordinarily the certainty of bona fide minority representation under P.R. appeals to it strongly, as in Pennsylvania and California, where the state Federations of Labor have backed optional P.R. legislation actively, and in the cities which use P.R. in western Canada.—Ed.

1. The five councils elected under the proportional representation system are most clearly representative of the whole body of voters. Every group in the city which contained a number of voters equal to 4 per cent (the council consisted of 25 members) was either directly represented in the membership of each of those councils or represented by at least one person who belonged to some connected or affiliated group. For example, the Slavic groups, which are large, always had a membership in the council corresponding to the size of their groups as a whole, but the individual members sometimes came from one sub-division of the group and sometimes from another.²

2. The quality of the council was definitely better than it was before proportional representation or is now.

3. Because of the fact that every considerable minority was assured its representation under this plan of election it was hard to find any person who had not voted for some one of the group that was elected from his district.

4. The net result of the operation of the proportional representation system in Cleveland was that any voter could find at least one member of the council who would have a special interest in him and an understanding of his problems because of having come from the same group or a related group.

From actual and intimate experience with four of the five councils elected under the proportional representation plan,³ I have no hesitation in saying that we found it the ideal plan for use in a city composed of many diverse groups and we also found that it brought out of these groups a better type of representation than had previously come from them.

²It was of course not necessary to vote on racial and nationalistic lines. It was clear from the result sheets that a majority of the voters did not do so and there were a number of striking instances where large numbers did not do so when they might have been expected to. There was, however, an assurance that the voters of minority groups would get the representation they wanted on some basis, and so could not be discriminated against, which did much to remove inter-group friction and promote the city-wide viewpoint to which Mr. Hopkins testifies later in this statement.—Ed.

³Mr. Hopkins was city manager during the first three terms and a member of the council himself during the last one.—Ed.

But while these councils were so clearly representative of groups, the group representatives were most zealous in the promotion of everything advantageous to the city as a whole. They showed less disposition to act on purely local or group lines than their predecessors and were more devoted to the general good of the entire city. Neither in the elections nor in the framing of city policies was there ever any assertion of group interest to the detriment of any other group or of the city as a whole. The period covered by the councils elected by proportional representation was the period of greatest municipal progress and development in the history of the city of Cleveland.

The one serious objection to the operation of the proportional representation system in Cleveland arose from the belief held by a good many people that the counting of the votes did not always conform to the rules laid down by the system. In other words, most of the opposition to the system was due to the actual operation of the board of elections rather than to the make-up of the council elected under it. The danger of improper operation of the central count was almost wholly removed by the rules for supervision introduced in the later elections, similar I understand to the safeguards now recommended for the charter of New York. The final abandonment of proportional representation in Cleveland was only an incident to the abandonment of the city manager plan.

In my opinion, after everything had been said which could possibly be said against the method itself or the manner of operating it, the fact remained that it gave us better and more representative city councils than we had before or since, and I feel sure that I am correct in saying that the dissatisfaction with the present operation of the city government is creating a situation which insures the return of the proportional representation system in the comparatively near future.

WILLIAM R. HOPKINS, city manager of Cleveland from January 1924 to January 1930, statement submitted to the New York City Charter Commission, July 24, 1934.

*

Politics and Crime.—The same power that warns policemen and detectives to "lay off" racketeers and other big criminals is the

power that indirectly appoints detectives too stupid to catch the criminals even if they wanted to.

The solution is not a simple one. The cause lies too deep in our national indifference toward corruption, whether it is found in politics or in business. But the greatest single step that we could take would be to break the grip of machine control, and that cannot be done permanently in the cities until they adopt a form of government in which the final power rests in a council or board elected by proportional representation. Only by proportional representation will minority elements be able to take a constant part in city government; only by such representation can the grip of machines, with their solid block of interested votes, be permanently loosened; only such representation will provide constant opposition to the more flagrant forms of inefficiency and corruption. Not until our city governments are reformed can we hope to win anything but temporary and minor victories against the racketeer.

The Nation, New York,
Editorial, August 30, 1933

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

New England Council.—During the past three years the New England Council through its community development committee has endeavored to promote governmental efficiency in New England communities through an educational campaign designed to interest the taxpayers and voters in problems of government.

To find out what has been accomplished during this period in the way of a greater return to the taxpayer per dollar expended, a questionnaire was sent out to the mayors of all cities, chairmen of boards of selectmen in all towns of 2,500 or greater population, and to more than two hundred taxpayers' associations and chambers of commerce in the principal cities throughout New England.

This questionnaire posed such questions as: Has there been any change in your general form of government during the past three years? Any elimination or consolidation of departments? Has centralized purchasing been established?

Replies have been received from 142 communities representing 47 per cent of the total population of New England. Eight communities reported a change in their form of government, three adopting the city manager plan, one the commission plan, and four changing from open to representative town meeting. Fifteen communities reported the elimination of one or more municipal departments and twenty-six reported that consolidations had been effected. Twenty-two cities have a centralized purchasing system; in sixteen, purchasing is partly centralized.

The biggest changes in administration have taken place in the welfare field. Eighty-six communities plus all communities in New Hampshire have made definite changes in their welfare departments. In New Hampshire the state took over the entire task of organizing and directing welfare administration.

A general violation of the principles of sound budgetary procedure was revealed in the answers to a series of questions on this subject. In only one-third of the communities does the budget document include the anticipated receipts and expenditures of all funds. About two-thirds of the communities find it necessary to pass supplementary appropriations after the budget is closed and more than two-thirds report that the budget is not readjusted during the year to avoid deficits when tax delinquency runs higher than anticipated. Only three communities use a system of monthly or quarterly allotments.

Another interesting series of questions dealt with personnel matters. Only eleven of the 142 reporting towns have a civil service commission or personnel administrator, and in thirty-seven communities it was admitted that appointments were on a strictly partisan basis. Only eighty communities have pension systems for other employees than school teachers and of these systems all but thirty-four are non-contributory.

In spite of these obvious and serious shortcomings of local government in New England there is certainly no reason to believe that any other section of the country would make a better showing. And it is encouraging to note that in the composite judgment of citizens and officials eighty-one towns had made definite improvements in administrative efficiency during the last three years.

Syracuse Research Committee.—Syracuse has long been noted for the lack of any disinterested civic agency for municipal or governmental research. This is the more surprising when the city is compared with others nearby—Rochester, Buffalo, Schenectady. The recent wave of interest in governmental affairs, stimulated by economic conditions and the high current levels of taxation, has been strongly felt in Syracuse, however, and it has led to the establishment of a municipal research agency which has the appearance of permanence.

The genesis of this agency is unique. Taxpayers' leagues and various types of civic organizations and clubs usually sponsor such bureaus, but here the local Technology Club gave the movement its impetus. President Paul Hueber, architect, in an address to the club on May 10, 1932, pointed out the close relationship between the construction industry and taxation. He urged that the club widen its aims to seek better government, and he emphasized the need for the application of the scientific attitude and the development of basic facts in order to secure economical and efficient administration. The Technology Club's civic affairs committee thereupon organized a subcommittee called the government research committee, with Mr. Hueber as chairman, and composed of architects and engineers. Several club members volunteered their services for nominal compensation, and a report was made on the work and costs of the Syracuse grade crossing commission.

It quickly became apparent that the scope of this project was so broad as to constitute a community problem, and civic groups of all sorts showed a keen interest. It was decided to create a Syracuse Research Committee independent of the Technology Club but still drawing heavily upon engineers and architects for membership. Mr. Hueber continued for a time as chairman, and was later succeeded by Mr. Howard Swartz, a certified public accountant. Members of the staff of the School of Citizenship and Public Affairs of Syracuse University were called into consultation, and sufficient funds were subscribed by individuals and corporations to provide a bare subsistence wage for unemployed professional people, who were engaged to develop a mass of statistical data concerning government operations. Two large reports, covering the schools and public welfare, were com-

pleted, together with several smaller reports on annual budgets and the like. These were made available during the summer of 1933.

However, it was felt that these reports were not receiving sufficient circulation, that they required implementation from a group of responsible citizens. In October, 1933, a meeting was held to make plans for the formation of a citizens' council for constructive economy. At that meeting a committee was created which has been working ever since to obtain precisely the proper organization to sponsor the program. Originally the plan was to obtain a hundred members willing to take an absolutely nonpartisan stand on community questions, but the goal was attained so easily that the membership has now been expanded to 180. The Syracuse Research Committee is entirely separate from this citizens' council, but it anticipates strong moral as well as financial support from the council and its membership. The prospects are very bright for the continuation and further development of the Syracuse Research Committee as a force for the improvement of municipal administration.

ROBERT F. STEADMAN

*

Bureau of Governmental Research of New Orleans.—Since last December, the Bureau has been engaged in a survey of the police department. Four reports have been completed and approved by the board of directors which recommend a redistribution of the patrol force, so as to take approximately 100 men from house duty (overhead) and put them on beat duty. The Bureau also recommends the reduction of the number of police stations from eleven to four. All of the eleven stations have at least one other within three miles distance, while five of them have one other within one mile distance. These small areas are ridiculous, particularly with a radio patrol service augmenting foot patrol.

An investigation of the brake tag used in New Orleans reveals that an expensive patented device now in use costs the city approximately \$15,000 more annually than an inexpensive sticker would. The Bureau is appreciative of the action of a majority of the members of the commission council in promising to substitute next January an inexpensive brake tag, thus saving the city \$15,000 annually.

The Bureau has completed an organization

chart of New Orleans, revealing forty-nine elected officials, five branches of city government, fifty boards and commissions, and 7,608 city employees. It is doubtful if a more complicated and loosely knit governmental structure for a city exists anywhere in the United States. Incidentally, this is the first organization chart drawn since 1921.

HAROLD A. STONE

*

New Bedford Taxpayers' Association.—

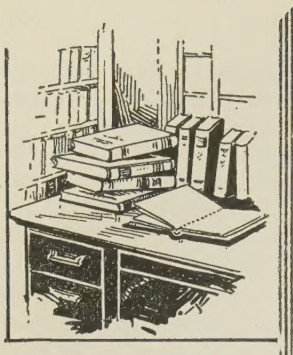
During the last few years the Association has been fostering legislation which would change the condition in New Bedford which requires the city to borrow on tax anticipation notes for about ten months' operation. This condition is due to the fact that the fiscal year begins December 1 and taxes are not due until the following October. As the result of the work of the Association, legislation has been passed changing the date of assessment from April 1 to January 1 and making taxes payable semi-annually, in June and October. At the same time the fiscal year has been changed from December 1 to January 1 giving the city the right to borrow sufficient money to take care of the thirteen-month year which will result from this change.

The Association recently made a detailed study of tax abatements. In the last few years these have become quite a factor in the tax rate, because the abatements from the previous year must be relieved. This study shows that abatements now amount to almost 5 per cent of the taxes levied and that about 20 per cent of the abatements is due to widows' and veterans' exemptions. It is hoped that with this information at hand some changes may be made in the procedure for abatements.

The Association has continued to publish from time to time the facts about New Bedford's finances. A report made in March on the finances for 1934 pointed out how impossible it was to restore any pay cuts this year and was effective in forestalling such action.

The Association is now making a study to determine what effects the ERA and PWA work has had upon welfare expenses. The expenses have been reduced, but at the same time material has had to be purchased for the ERA projects and many of these projects while desirable will certainly increase operating costs in future years.

HART CUMMIN



RECENT BOOKS REVIEWED

EDITED BY EDNA TRULL

The Sales Tax in the American States.

By Robert Murray Haig, Carl Shoup and Staff Associates. New York, Columbia University Press, 1934. 833 pp. \$4.50.

For the past three years general sales taxation has been a paramount issue in American public finance. In 1932 the sales tax movement was fought and defeated in the national arena and for the past two years the issue has been predominant in state finances. Scarcely a state legislature has escaped a wrangle over the merits of the levy. In many states the issue is still by no means settled, but may continue to be a bone of contention for several years.

For this reason the timely appearance of the comprehensive study of the subject by Columbia University economists is particularly fortunate. The numerous recently enacted sales tax laws have been hastily adopted by the states with little precedent for their establishment. The result is that something comparable to laboratory experimentation is being carried on in approximately a score of states.

The authors set themselves the monumental task of making a searching analysis of these various state laws, the financial conditions into which they fitted, the propaganda groups advocating and opposing them, and the legal and administrative problems resulting from them. The result is a great mass of up-to-date and pertinent information on sales taxes in the American states. The study will prove an extremely useful reference book to individuals and groups concerned with tax developments.

Two factors which have received a large share of the discussion of the tax deserve special note—where the burden falls and the

cost of administration. In certain areas which were made the subject of intensive investigation it was found that shifting of the tax was more widespread among large retail firms than among small ones. A tax at a high rate was more likely to be shifted to the consumer than one at a low rate. "In Georgia, owing to the low rates of the tax, virtually none of the burden was shifted to consumers. In Pennsylvania, as a result both of the low rate and the short life of the tax, shifting was apparently uncommon. Judging by replies of retailers in New York State, a majority of the small retailers have not succeeded in shifting the 1 per cent tax, but most of the larger outlets have been fairly successful, and manufacturers and wholesalers (taxable only on their retail sales) have absorbed very little of the burden. The 3 per cent rate in Illinois, Michigan, and North Carolina seems to have been high enough to force shifting in most instances, and under the 2 per cent rate in Illinois, about half of the taxable retailers interviewed reported shifting part, or all, of the tax. . . . It is evident that the tax burden represented by failure to shift is very unequally distributed over various types of business. It is also very unequally distributed with respect to size of business; as the size of firm increases, the percentage of firms reporting shifting increases decidedly." Customer resentment and severe competition were the most commonly cited causes for failure to pass the levy on to the buyers. The cost of administering the tax is estimated to range from 1 to 4 per cent of the revenue from the tax, the figure for most of the states being between 2 and 3 per cent.

In evaluating the sales tax as a state fiscal

measure the author declares: "The chief argument of those who have favored the tax has been that, by the sales tax and by this means only, could a large amount of current revenue be obtained under such financial and economic conditions as have prevailed during the past few years. It is at least doubtful whether the sales tax has offered the only solution, in view of the possibilities, as yet largely unexplored, of an efficiently administered state personal income tax with low exemptions and high rates. If it be true that there has not been enough net income to support government on that basis, then it follows that the sales tax is being paid out of accumulated capital, and hence there is the possibility of using some other form of capital tax designed to avoid the defects of the sales tax. . . . In the writer's opinion, the sales tax as an emergency form of revenue, and certainly as a permanent part of any state's tax system, marks an unnecessary and backward step in taxation."

MABEL L. WALKER

*

Government and Finances of Hamilton County (Tenn.). By Frank W. Prescott. Chattanooga, University of Chattanooga, 1934. 62 pp.

The University of Chattanooga has started the publication of a series of social science studies in accordance with its interpretation of its function to present the public with valuable information and intelligent opinions on important spheres of public interest. The first number, issued in July, is primarily devoted to the study of the home county of the University—Hamilton.

The author has grouped his material under the headings of structure, personnel and compensation, assessment of real property, finances and health activities, and in each section offers analyses and makes recommendations intended "to drive an entering wedge into the mass of statistics, conflicting opinions and factual data" to the end that such reorganization as will probably be inevitable may be accomplished on a sound and reasonable basis. He avoids recommending either county-manager government or complete city-county consolidation, but urges a number of measures closely allied to the latter. Other major changes advocated include the reduction of the power of the justices of the peace and the establishment of a strong state agency for supervising local government finance. There are also

numerous suggestions for administrative organization and procedural changes. With such valuable documents as this, there seems no justifiable reason why Tennessee counties should continue in their reputation for backward government.

Other articles in this number of the *Bulletin* are "Property Tax Delinquency," by T. Levron Howard and "Quality of Chattanooga and Hamilton County Teaching Staffs" by Paul L. Palmer.

*

A Report of the Survey of the Finances and Management of the Government of Knox County, Tennessee. By the Tennessee Taxpayers Association, Inc. Nashville, Tennessee Taxpayers Association, 1934. 124 pp. mimeo. \$2.50.

The Tennessee Taxpayers Association continues to distinguish itself by its thorough and valuable reports on the administration of the state's various governmental units. The method already established is followed in this report.

Based on an intensive personal investigation of the county's procedure and records, several major types of information are given. Pertinent financial data have been compiled and presented—income and expenditures, bonded and floating debt, and the tax base and levies. (Securing the figures alone is an arduous and laudable task.) The functions and personnel of the various offices are analyzed. Comparisons with other counties are made. Not the least important, of course, are the discussion of the defects general in Tennessee county government, and the recommendations for improvement in administrative procedure and inaugurating reasonable economies. Among the more important recommendations are the adoption of a detailed budgeting system and centralized accounting and disbursing, abolition of the fee system, improved delinquent tax collection, immediate retirement of floating debt, orderly refunding of near sinking fund maturities into serial bonds, and numerous specific methods of curtailing expenditures.

Similar reports have recently been prepared by the Tennessee Taxpayers Association on Grundy County, Washington County, and Greene County. Each of the four reports offers a mine of interesting and valuable information on its specific subject and broadens the background which will furnish the basis for progress in Tennessee local government.

California County Government Organization (Chart). By Martin S. Depper and Thomas S. Dabagh. Berkeley, Bureau of Administration, University of California, 1934.

This is an interesting chart showing in graphic form the organization of California county government under the state constitution and general laws. An enormous amount of information has been placed on this chart. A comprehensive legend is used to indicate whether the officers are elected or appointed, required or optional; whether compensation is fixed by statute; and other significant facts. At the bottom of the chart is a legible index to the constitution and to the laws and codes which now govern or control certain specific county functions and agencies.

The chart was prepared under the direction of Professor Samuel C. May.

ROBERT M. PAIGE

*

The City Manager Profession. By Clarence E. Ridley and Orin F. Nolting. Chicago, University of Chicago Press, 1934. 143 pp. \$2.00.

A recent request from a city editor of a large city daily for all available information on the council manager plan is practically answered in this publication produced by the director and assistant director of the International City Managers' Association.

With the present rapid trend toward a more technical administration of local government and less emphasis on the legalistic and political phases, the publication of this book is most timely. Louis Brownlow, a pioneer among city managers, in the foreword of the book states that "it presents in concise and compact form the achievements and the aspirations of a new profession devoted to the social well-being of the inhabitants of American cities."

The authors have traced the city manager plan from its inception with the appointment of an executive "general manager" in Staunton, Virginia, to the present time with its 425 city managers in cities with populations ranging from 222 to 451,160. If it were desired to sell the council manager idea to any community the chapter first describing the idea of an appointive executive would certainly provide the ground work of information for the campaign. The authors have made a comprehensive analysis of the city manager's position. They show his relations to the various municipal officials and functions and

follow this with a description of the desirable qualifications of a city manager as proven by the observation and experience of the profession in the course of its life.

This book will be of infinite value to new councils through the detailed guide in the selection of a city manager, and will also serve those who may be interested in city management as a life work. The study of the origins, experience, and personality of managers breeds hope for better administration for all cities.

The authors' work would not have been complete without mention of the association which has so ably guided and built up the profession while fulfilling its major purpose of aiding in the improvement of local government administration.

The leaders of any city in trouble, or any city manager who needs to revive his faith in his profession or himself should profitably digest this very complete work.

DONALD STUART SAMMIS

*

American State Government and Administration. By Austin F. Macdonald. New York, Thomas Y. Crowell Company, 1934. 839 pp. \$3.75.

Professor Macdonald in his new textbook stresses the administrative aspects of state government. Accordingly, in addition to the descriptions of state organization and politics, the various broad activities of the modern state are separately discussed. The material is up to date with frequent references to the changes brought about during the year preceding publication, but the author carefully avoids undue emphasis on the developments he considers of temporary character. Like other volumes on state government, this may be justifiably criticised for inadequate attention to state finance and financial problems—factors which are now vitally affecting the administration of all major governmental activities and will doubtless continue to do so after the temporary agitation for emergency relief and tax reduction has abated. Nevertheless the book offers a comprehensive and useful record of the way in which the forty-eight states—or the majority of them—carry on their operations.

Professor Macdonald is already known for his works on federal aid, city government, airport problems, etc., and this new volume will establish his reputation in the field of state government.